

## **EXHIBIT Q**

L. KING

Page 1

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY  
Civil Action No.  
97-cv-3496 (DRD) (MAS)

WALSH SECURITIES, INC., :  
: Plaintiff, :

vs. :

DEPOSITION OF:  
LORRAINE KING

CRISTO PROPERTY MANAGEMENT,  
LTD., a/k/a G.J.L. LIMITED;  
OAKWOOD PROPERTIES, INC.;  
NATIONAL HOME FUNDING, INC.;  
CAPITAL ASSETS PROPERTY  
MANAGEMENT & INVESTMENT CO.,  
INC.; CAPITAL ASSETS PROPERTY  
MANAGEMENT, L.L.C.; WILLIAM  
KANE; GARY GRIESER; ROBERT  
SKOWRENSKI, II; RICHARD CALANNI;  
RICHARD DiBENEDETTO; JAMES R.  
BROWN; THOMAS BRODO; ROLAND  
PIERSON; STANLEY YACKER, ESQ.;  
MICHAEL ALFIERI, ESQ.; RICHARD  
PEPSNY, ESQ.; ANTHONY M.  
CICALESE, ESQ.; LAWRENCE CUZZI;  
ANTHONY D'APOLITO; DAP CONSULTING,  
INC.; COMMONWEALTH LAND TITLE  
INSURANCE CO.; NATIONS TITLE  
INSURANCE OF NEW YORK, INC.;  
FIDELITY NATIONAL TITLE  
INSURANCE CO. OF NEW YORK;  
COASTAL TITLE AGENCY; DONNA  
PEPSNY; WEICHERT REALTORS; and  
VECCHIO REALTY, INC., D/B/A  
MURPHY REALTY BETTER HOMES  
And GARDENS :

Defendants. :  
:  
:  
- - - - -

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1TRANSCRIPT of the stenographic notes of

2the proceedings in the above-entitled matter, as

3taken by and before JANET BAILYN, a Certified

4Shorthand Reporter and Notary Public of the State of

5New Jersey, held at the office of STONE & MAGNANINI,

6150 John F. Kennedy Parkway, Short Hills, New Jersey,

7on April 30, 2010, commencing at 11:20 in the

8forenoon.

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1APPEARANCES:

2

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21National Title Insurance Co. of New York

22RICHARD CALANNI

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24Tinton Falls, New Jersey 07724

25Defendant Pro Se

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1LORRAINE KING, residing at 171 First

2Street, Keyport, New Jersey, having been duly sworn

3by the Notary, testified as follows:

4DIRECT EXAMINATION BY MS. WAGNER:

5Q. Good morning, Miss King.

6A. Good morning.

7Q. Your name is Lorraine King. Correct?

8A. Yes, it is.

9Q. I just want to first introduce myself.

10My name is Amy Walker Wagner. I'm with the law firm

11of Stone & Magnanini, and we represent Walsh

12Securities in this civil litigation against a number

13of defendants, which you're not a defendant.

14Correct?

15A. I have not been served with any papers

16so I guess not.

17Q. I'll represent to you that you're not a

18defendant.

19A. Okay, I am not a defendant.

20Q. Have you ever been deposed before?

21A. No.

22Q. Mr. Calanni, who is sitting here to my

23right, he needs to ask you some questions because I

24believe he needs to leave early.

25MR. CALANNI: Yes.

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<p>1 MS. WAGNER: I just want to go over some 2 basic ground rules before I turn it over to you, if 3 that's all right with you. 4 MR. CALANNI: Absolutely. 5 Q. When any of us asks you a question, if 6 you could just please answer audibly because the 7 court reporter can't take down a nod of the head. 8 You understand that? 9 A. Yes, I do. 10 Q. When I ask you a question, if you could 11 just wait until I finish the question before you try 12 answering. We may get into like a conversational 13 style where you may anticipate what I'm going to ask 14 you and start to answer before I finish. And I will 15 promise to do the same thing for you. Is that okay? 16 A. That's okay. 17 Q. You're under oath here today. Anything 18 you say is admissible in court. Do you understand 19 that? 20 A. Yes, I do. 21 Q. If you need to take a break at any time 22 please let us know. We will just ask that you finish 23 answering the question before we take a break. Okay? 24 A. Okay. 25 Q. Some of the attorneys here may make</p>	<p>1 King should understand that an "I don't remember" or 2 an "I don't know" answer is just as acceptable if 3 that's your state of mind. 4 THE WITNESS: That's fine. 5 MR. HAYES: I don't know that we want 6 you out doing research after the deposition is over. 7 MS. WAGNER: I agree. 8 A. I am trying to be as truthful and 9 forthcoming with information as I possibly can. 10 That's all. Fine. 11 Q. I will turn it over to Richard Calanni 12 so he can ask some questions. 13 MR. CALANNI: Thank you. 14 CROSS-EXAMINATION BY MR. CALANNI: 15 Q. Hello, Lori. 16 A. Hi. 17 Q. Do you remember faxing me over 18 information of closings when I was doing my 19 appraisals? 20 A. Your name does sound familiar. 21 Q. Richard Calanni. And my company at the 22 time was TF Appraisals. 23 A. I don't recognize the company name; I do 24 recognize your name. 25 Q. Okay.</p>
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<p>1 objections. If they make an objection, unless for 2 some reason you're told not to answer a question you 3 can go ahead and answer the question. Okay? 4 A. Yes. 5 Q. Are you represented by an attorney 6 today? 7 A. No. 8 Q. If you don't understand a question that 9 any of us asks, please ask us to rephrase it. If you 10 answer the question we're going to assume that you 11 understood the question. Okay? 12 A. Yes. 13 Q. Are you on any drugs or medication today 14 that would interfere with your ability to answer 15 questions? 16 A. No. 17 Q. Do you have any questions? 18 A. Considering how this was a very long 19 time ago and there are questions that you might ask 20 that I don't remember at the moment, however, if I 21 have the ability to write them down and think about 22 them, is that a possibility? 23 MS. WAGNER: What do you all think? 24 MR. HAYES: I think we should just have 25 Miss King testify as to what she remembers. And Miss</p>	<p>1 A. There is a very good possibility I did 2 fax you over closing information or title information 3 on possible closings, but I faxed to a lot of people 4 a lot of information. 5 Q. Okay. 6 A. I'm sorry. What was your part in this? 7 Q. Real estate appraising. 8 A. You were real estate appraising. 9 Q. It was TF Appraisals, Richard Calanni. 10 A. Again, I probably did fax you 11 information in the beginning. I believe you were one 12 of the appraisers in the beginning. 13 Q. I don't know when the beginning was so I 14 couldn't say that. 15 A. 1996. 16 Q. Okay. Let me go on. Did you fax over 17 information on closings that you were aware had 18 fraudulent information to appraisers? 19 A. No. 20 Q. Then did you and myself at any time ever 21 meet or sit down to plan a conspiracy against Walsh 22 Securities or any other lender? 23 A. No. No, I don't even -- 24 Q. You don't really have to go on. 25 A. Okay.</p>

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<p style="text-align: right;">Page 10</p> <p>1 Q. And at the time you were sending 2 appraisers information or faxing information over to 3 appraisers were you working for Stanley Yacker? 4 A. Yes. 5 Q. Okay. That's all the questions I have 6 to ask, Lori. Thank you for allowing me to be first 7 and have a safe trip back home. 8 A. Thank you very much. 9 CONTINUED DIRECT EXAMINATION BY MS. WAGNER: 10 Q. Okay, Miss King. I just wanted to mark 11 as an exhibit the subpoena for today's deposition for 12 Miss King as King-1. 13 (King-1, Subpoena, is received and 14 marked for identification.) 15 Q. Is this the subpoena that you received 16 for which you appeared today? 17 A. Yes. 18 Q. And I just wanted to indicate that it 19 said that the time was to start at ten, and I do 20 understand that you had some difficulties getting 21 here today and we're glad that you were able to make 22 it. Thank you. 23 A. Yes, I did have difficulties getting 24 here. 25 Q. You stated that you're not represented</p>	<p style="text-align: right;">Page 12</p> <p>1 subpoena? 2 A. No. 3 Q. So -- 4 A. No. There was no notice that they were 5 coming to take the documents and the computer. 6 Q. So what happened? Were you there? 7 A. No, I was not at the office, and I 8 received a call, I believe, from Stanley Yacker that 9 the FBI had raided his office and taken everything. 10 Q. Okay. 11 A. We were unaware that they were coming. 12 Q. At some point you also worked with 13 Anthony Cicalese? 14 A. Yes, I did. 15 Q. Was his office similarly raided? 16 A. I don't know. I don't think so. I 17 think -- I don't know how Anthony's information got 18 to the FBI, let's put it that way. I know it was not 19 raided in a similar manner. 20 Q. Okay. I don't know the answer. That's 21 why I'm asking you. 22 A. Okay. 23 Q. Do you know if there was a subpoena 24 issued to him to produce documents? 25 A. I don't know.</p>
<p style="text-align: right;">Page 11</p> <p>1 by counsel today. Did you meet with any attorney to 2 prepare for this deposition? 3 A. No. I did not know I needed to. 4 Q. Did you do anything to prepare for this 5 deposition today? 6 A. I tried to remember events as they 7 happened. I did look at the deposition and see that 8 I was to bring documentation; however, I did not have 9 any documents in my possession. 10 Q. Did you ever have documentation in your 11 possession? 12 A. No. The FBI took it all. 13 Q. Okay. What kind of documents did the 14 FBI take from your files? 15 A. They took the documents from Stanley 16 Yacker's office because I never had any at my home or 17 anything. All the documentation was in his office. 18 And I believe they took all the files and the 19 computer that I worked on while I was in his office. 20 They took everything, I believe. 21 Q. Did you help prepare any of the 22 documents that were to be taken by the government? 23 A. Yes, I did. 24 Q. What I mean by that is: Did you help 25 gather together documents that were in response to a</p>	<p style="text-align: right;">Page 13</p> <p>1 Q. Were you working -- I'm sorry. Were you 2 working with Mr. Cicalese at the time? 3 A. Yes. However, there were some open 4 files at Mr. Yacker's office that were not completely 5 finished while I was working with Mr. Cicalese so I 6 was spending a small amount of time in Mr. Yacker's 7 office while working with Mr. Cicalese. 8 Q. Okay. I'll get into that in a little 9 bit more detail in a moment. 10 Did you have any discussions or 11 conversations with anybody about attending this 12 deposition today? 13 A. Other than my family? 14 Q. Yes. 15 A. No. 16 Q. Okay. And none of your family was 17 involved in anything -- 18 A. No. 19 Q. -- involving these fraudulent 20 allegations? 21 A. No. 22 Q. Did you go to college? 23 A. I had some college. 24 Q. Where was that? 25 A. Brookdale Community College.</p>

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<p>1 Q. How far did you get?</p> <p>2 A. I just took a couple of classes.</p> <p>3 Q. What was your focus in college, like a</p> <p>4 major?</p> <p>5 A. I didn't have one.</p> <p>6 Q. Do you have any other professional</p> <p>7 licenses or qualifications?</p> <p>8 A. I am a certified massage therapist.</p> <p>9 Q. Did you get any -- did you go to any</p> <p>10 paralegal school?</p> <p>11 A. No.</p> <p>12 Q. What was your first job after Brookdale</p> <p>13 Community College?</p> <p>14 A. I went to Brookdale while I was working.</p> <p>15 It was not full time.</p> <p>16 Q. Where were you working?</p> <p>17 A. I don't remember.</p> <p>18 Q. Was it in real estate?</p> <p>19 A. No.</p> <p>20 Q. Was it for an attorney?</p> <p>21 A. No, no.</p> <p>22 Q. Let me ask you this: At what point did</p> <p>23 you start working for an attorney?</p> <p>24 A. 1992, February.</p> <p>25 Q. And with who was that?</p>	<p>1 office space at another location that was strictly</p> <p>2 ours, and that is where the closings were processed.</p> <p>3 Q. At the second location?</p> <p>4 A. At the second location.</p> <p>5 Q. So did he have a specific space that was</p> <p>6 set up for real estate closings?</p> <p>7 A. No. There was his office and my office.</p> <p>8 Q. Okay. How did you obtain your position</p> <p>9 with Mr. Yacker?</p> <p>10 A. With Yacker &amp; Granata in the original --</p> <p>11 originally?</p> <p>12 Q. Yes.</p> <p>13 A. Okay. I was going through a divorce and</p> <p>14 one of the attorneys in the firm, Robyn Wernik,</p> <p>15 W-e-r-n-i-k, was a pro bono attorney for women</p> <p>16 through a woman's group. I went to a meeting. I met</p> <p>17 Robyn, Robyn and I started the process of my divorce.</p> <p>18 She said I needed to get a job part time at least and</p> <p>19 offered to have me come in and interview for the</p> <p>20 position of receptionist at her firm because they</p> <p>21 were looking for someone, and that's how I came to be</p> <p>22 at Yacker &amp; Granata.</p> <p>23 Q. Did you start -- was your original title</p> <p>24 a receptionist?</p> <p>25 A. Yes.</p>
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<p>1 A. That was with Yacker &amp; Granata, and</p> <p>2 their address was Main Street, Matawan.</p> <p>3 Q. Did you work for either one of them</p> <p>4 primarily?</p> <p>5 A. I primarily worked for Stanley Yacker</p> <p>6 and as a receptionist for the entire firm, but I did</p> <p>7 type letters and certifications and briefs for Mr.</p> <p>8 Yacker and Ann Zacardi.</p> <p>9 Q. At some point did they move from the</p> <p>10 Main Street, Matawan location?</p> <p>11 A. Yes. I was working part time, from I</p> <p>12 believe 12 to five, starting in 1992. When Yacker &amp;</p> <p>13 Granata divorced, they split their partnership up.</p> <p>14 That's when I went with Mr. Yacker more on a</p> <p>15 full-time basis and we moved to Highway 34.</p> <p>16 Q. And is that where you were working with</p> <p>17 Mr. Yacker in 1996 and 1997, or did he have a</p> <p>18 subsequent office?</p> <p>19 A. No, that was on Route 34. I want to say</p> <p>20 there were two locations. We moved from one place to</p> <p>21 another but they were both on 34. In 1996 is when we</p> <p>22 ended up further down on Route 34. I don't remember</p> <p>23 the street address. I believe we shared office space</p> <p>24 with someone else when we first left the Main Street</p> <p>25 location and then we -- Mr. Yacker arranged for</p>	<p>1 Q. At what point did that title change?</p> <p>2 A. When we moved to -- when Yacker &amp;</p> <p>3 Granata split and we moved to the first location just</p> <p>4 as Yacker, Stanley Yacker.</p> <p>5 Q. What did your new title become?</p> <p>6 A. Secretary.</p> <p>7 Q. Did your job duties change any?</p> <p>8 A. Yes. I then handled all the</p> <p>9 correspondence, all of the filings for any court</p> <p>10 appearances, telephone calls, answer phones, make</p> <p>11 calls, copy, file, fax. There was just me and him.</p> <p>12 Q. Okay. When you moved in 1996 to the</p> <p>13 other location on Route 34, did you have any other</p> <p>14 employees at that time?</p> <p>15 A. No.</p> <p>16 Q. So during the time of 1996 to at least</p> <p>17 part of '97 did you work with anyone else in that</p> <p>18 office?</p> <p>19 A. Okay. After the closings through Bill</p> <p>20 Kane just grew and grew and grew I could not handle</p> <p>21 all the duties so we hired another woman, Carol, I</p> <p>22 think her last name was Davis, to handle the regular</p> <p>23 routines of answering the telephones, typing and</p> <p>24 filing, and then I focused solely on the real estate</p> <p>25 closings, the Bill Kane closings. Let's put it that</p>

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<p style="text-align: right;">Page 18</p> <p>1 way.</p> <p>2 Q. Did you handle other real estate</p> <p>3 closings or just the Bill Kane closings?</p> <p>4 A. In the beginning I think I did maybe</p> <p>5 four or five regular closings with Mr. Yacker but it</p> <p>6 was -- it was more of a: You type this. I would</p> <p>7 give him a blank HUD statement, he would fill it out.</p> <p>8 He processed all the paperwork and all I did was type</p> <p>9 it up. I was not in any way, shape or form a real</p> <p>10 estate secretary. I did not know anything about them</p> <p>11 and just did what he told me to do. After I strictly</p> <p>12 went to the Bill Kane closings, then Carol and Mr.</p> <p>13 Yacker handled the other closings. We called them</p> <p>14 the normal closings.</p> <p>15 Q. How did you learn how to handle real</p> <p>16 estate closings?</p> <p>17 A. From Mr. Yacker.</p> <p>18 Q. So did you sit in and observe?</p> <p>19 A. No. He would do the closing and then</p> <p>20 bring the paperwork out, and then I would make the</p> <p>21 appropriate copies and disburse the funds on the</p> <p>22 ledger, handwritten ledger, and he would sign the</p> <p>23 checks, and then I would mail them to wherever they</p> <p>24 had to go.</p> <p>25 Q. Okay. At some point did you start</p>	<p style="text-align: right;">Page 20</p> <p>1 here, sign here, sign here.</p> <p>2 Q. Why don't you explain to me exactly what</p> <p>3 you would do with these straw buyers that Mr. Kane</p> <p>4 would bring in, to the best of your recollection.</p> <p>5 A. All I remember is that the documents</p> <p>6 would be overnighted or hand-delivered by Bill. We</p> <p>7 would meet, and then page by page the documents would</p> <p>8 be signed by the buyer. There might be anywhere from</p> <p>9 one to three closing packages for each person. They</p> <p>10 would come in, they would sign and then they would</p> <p>11 leave, and I would process the paperwork, make all</p> <p>12 the copies and then overnight the documents back to</p> <p>13 the bank. As soon as the bank got their documents,</p> <p>14 then I believe they released the money and then</p> <p>15 disbursements would happen.</p> <p>16 Q. Do you happen to remember what banks</p> <p>17 were involved in the Kane closings?</p> <p>18 A. Walsh. I don't remember if there was</p> <p>19 another bank. By the time I got into processing all</p> <p>20 the documents and sitting in on the closings and</p> <p>21 signing all the papers and so forth, it was Walsh by</p> <p>22 that time. I don't know if there was another bank</p> <p>23 involved.</p> <p>24 Q. Okay. I'm going to go into this a</p> <p>25 little bit more later and show you some documents</p>
<p style="text-align: right;">Page 19</p> <p>1 participating in the closings themselves?</p> <p>2 A. Which closings?</p> <p>3 Q. The William Kane closings.</p> <p>4 A. Yes. Well, yes and no. In the</p> <p>5 beginning there were some straw people, they called</p> <p>6 them, the straw buyers. He would bring them in and</p> <p>7 then they would sign the documents, and I would take</p> <p>8 them and process them and disburse funds and Mr.</p> <p>9 Yacker was not there.</p> <p>10 Q. Okay. Did Mr. Yacker know that you were</p> <p>11 doing this with Mr. Kane?</p> <p>12 A. Yes.</p> <p>13 Q. Did Mr. Yacker instruct you to do this?</p> <p>14 A. I don't know if it was an: Okay, Lor,</p> <p>15 here you go, you go handle this. In the beginning it</p> <p>16 was he would sit in with the people and then he would</p> <p>17 be busy with other things. So I would go in and just</p> <p>18 make sure all the documents were signed on the right</p> <p>19 lines, so forth. And then he was not present.</p> <p>20 Q. So you must have seen Mr. Yacker do this</p> <p>21 to understand what documents needed to be signed and</p> <p>22 what to explain to people. Right?</p> <p>23 A. After about the first five, yes, there</p> <p>24 were certain lines that needed to be signed and I had</p> <p>25 them all tagged with little notes, sign here, sign</p>	<p style="text-align: right;">Page 21</p> <p>1 that might help you remember more details.</p> <p>2 Did you have any other day-to-day</p> <p>3 responsibilities at Mr. Yacker's office once you</p> <p>4 started working on the Kane closings?</p> <p>5 A. I don't believe so.</p> <p>6 Q. Do you recall around what time these</p> <p>7 Kane closings began?</p> <p>8 A. The year?</p> <p>9 Q. Yes. And month.</p> <p>10 A. The year and month. When Yacker &amp;</p> <p>11 Granata were together they had a real estate</p> <p>12 secretary, Paula Roland. I believe she did the very</p> <p>13 early closings that were normal. I would have to say</p> <p>14 around the time of the split up, and I don't remember</p> <p>15 when that was, what month, I don't remember, but it</p> <p>16 was in 1996.</p> <p>17 Q. Okay. Do you think it was early 1996?</p> <p>18 A. I don't remember.</p> <p>19 Q. Do you know anyone from Walsh</p> <p>20 Securities?</p> <p>21 A. I believe I met Betty Ann at Bill's</p> <p>22 party.</p> <p>23 Q. And when was this party?</p> <p>24 MR. KOTT: Excuse me for one moment.</p> <p>25 When you say, "Bill's party," are you referring to</p>

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<p>1 William Kane, K-a-n-e.  2 THE WITNESS: Yes.  3 MR. KOTT: Thank you.  4 A. I would say around Christmas time, New  5 Year's eve. They had a big party and everybody came.  6 Q. To the best of your recollection, who  7 was "everybody"?  8 A. Bill and Yvonne.  9 Q. Kane. Correct?  10 A. Kane. Gary Grieser. Larry -- I'm  11 trying to think of what his last name is.  12 Q. Larry Cuzzi?  13 A. Yeah, Larry Cuzzi was there. There was  14 a lot of people there I did not know. I don't  15 remember if Stanley showed up. Some of Gary  16 Grieser's staff showed up. There was one girl I used  17 to talk to a lot.  18 Q. Do you remember her name?  19 A. Nope.  20 Q. Anybody else that you can think of at  21 that time?  22 A. There were some people from National  23 Home -- the broker, National -- the mortgage broker.  24 Q. Skowrenski?  25 A. No, it was a woman from National Home.</p>	<p>1 A. I don't remember.  2 Q. Do you know Anthony D'Apolito?  3 A. That names sounds familiar.  4 Q. Do you recall ever speaking to him?  5 A. I don't recall but it may or may not  6 have been. I mostly spoke with Bill. Bill Kane was  7 the go-between. I believe whatever they needed  8 document-wise or information from my side of things  9 he would ask and get the information back to them. I  10 did not have a lot of contact with Walsh.  11 Q. Can you think of an example of why you  12 would have had to speak with Betty Ann DeMola about  13 the closings?  14 A. I don't remember.  15 Q. Okay. Have you ever spoken to Bob Walsh  16 or Robert Walsh?  17 A. I don't believe so.  18 Q. Have you ever spoken with Jim Walsh?  19 A. No.  20 Q. Have you ever spoken with Fred  21 Schlesinger?  22 A. No.  23 Q. Have you ever spoken with Art Gilgar?  24 A. No.  25 Q. Have you ever spoken with Peter Trebour?</p>
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<p>1 I don't remember.  2 Q. Was Mr. Skowrenski there?  3 A. I don't know Mr. Skowrenski.  4 Q. Was this the first time that you had met  5 Miss DeMola?  6 A. Betty Ann?  7 Q. Yes.  8 A. Yes, but I had spoken to her over the  9 phone a couple of times.  10 Q. What had you spoken to Betty DeMola  11 about on the phone?  12 A. About upcoming closings, if she needed  13 information.  14 Q. Would she call you or you would call  15 her?  16 A. I don't remember.  17 Q. So you only spoke to Betty Ann DeMola  18 with respect to loan closings if Betty Ann needed  19 information?  20 A. Yes.  21 Q. Or if you needed information?  22 A. Either way. If I needed information or  23 Betty Ann needed information.  24 Q. Did you ever contact the account  25 executives for information at Walsh Securities?</p>	<p>1 A. No.  2 Q. Have you ever spoken with Paul Del  3 Russo -- Del Rosso, I'm sorry?  4 A. No.  5 Q. Have you ever spoken to Kelly O'Neill?  6 A. That name sounds familiar.  7 Q. Do you know why that name sounds  8 familiar?  9 A. I don't remember why but I know I've  10 spoken to her.  11 Q. Did you speak to her before the news  12 broke about the William Kane frauds that were going  13 on?  14 A. Yes, I believe I spoke to her -- can I  15 ask a question?  16 Q. What is your question?  17 A. About her physical characteristic. Do  18 you know if she was a blond?  19 Q. She worked at Walsh Securities and was  20 young at the time.  21 A. She was young. And then I think she got  22 in trouble and she didn't work there anymore. Or her  23 employment ended with Walsh Securities. So I know I  24 spoke to her, if this is the same person.  25 Q. Did you speak to her while she was still</p>

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<p style="text-align: right;">Page 26</p> <p>1 employed at Walsh Securities?</p> <p>2 A. Yes.</p> <p>3 Q. Or after?</p> <p>4 A. Yes. No, I spoke to her while she was</p> <p>5 at Walsh Securities.</p> <p>6 Q. Do you know why you would have spoken to</p> <p>7 her?</p> <p>8 A. About the closings. If this is the</p> <p>9 person I'm trying to remember, then I spoke to her</p> <p>10 more often than I did Betty Ann about the closings</p> <p>11 and the documents that were coming through.</p> <p>12 Q. Can you think of the context in which</p> <p>13 you would speak to her about the closings or the</p> <p>14 documents?</p> <p>15 A. I want to say it was -- if there was a</p> <p>16 missing document out of the package, I need this one</p> <p>17 signed, what closings were coming up, who are we</p> <p>18 preparing for. That kind of thing.</p> <p>19 Q. Do you know if Miss O'Neill prepared any</p> <p>20 documents that you needed for these closings?</p> <p>21 A. I don't know who prepared the documents</p> <p>22 on Walsh's side.</p> <p>23 Q. Do you know if Miss O'Neill prepared any</p> <p>24 fake leases to be put into these packages?</p> <p>25 A. Leases, meaning?</p>	<p style="text-align: right;">Page 28</p> <p>1 O'Neill didn't seem out of the ordinary to you?</p> <p>2 A. No.</p> <p>3 Q. Did you feel that you were discussing</p> <p>4 anything with Miss O'Neill that was improper?</p> <p>5 A. No.</p> <p>6 Q. Do you feel that you ever discussed</p> <p>7 anything with Miss DeMola that was improper?</p> <p>8 A. No.</p> <p>9 Q. So you were just -- when you were</p> <p>10 speaking with somebody from Walsh Securities like</p> <p>11 Betty Ann DeMola or Kelly O'Neill it was just in the</p> <p>12 ordinary course of performing what you believed to be</p> <p>13 a normal loan closing?</p> <p>14 A. Yes.</p> <p>15 Q. Let me go back to your employment at Mr.</p> <p>16 Yacker's office. At what point did you leave your</p> <p>17 full-time employment with Mr. Yacker?</p> <p>18 A. It kind of evolved. I was working a lot</p> <p>19 of hours trying to perform the normal duties and</p> <p>20 process all the Bill Kane closings when we decided</p> <p>21 that I needed help, and then Carol came and I believe</p> <p>22 she worked a full day. And then my hours for that</p> <p>23 cut down and I was still processing the Bill Kane</p> <p>24 documents, which was a full-time job all in itself.</p> <p>25 Then sometime, I would say in 1997, I'm guessing</p>
<p style="text-align: right;">Page 27</p> <p>1 Q. Demonstrating that these properties were</p> <p>2 rented out.</p> <p>3 A. No, I believe the leases came from Gary</p> <p>4 Grieser's office.</p> <p>5 Q. Why do you think they came from Gary</p> <p>6 Grieser's office?</p> <p>7 A. Because he was supposed to be the</p> <p>8 property manager of all of these properties.</p> <p>9 Q. Shouldn't the leases have come from the</p> <p>10 seller?</p> <p>11 A. The seller or the buyer.</p> <p>12 Q. In a normal closing do you believe that</p> <p>13 the leases would have come from the seller of the</p> <p>14 property indicating that they were already leased?</p> <p>15 A. If they were already leased. That would</p> <p>16 be normal.</p> <p>17 Q. And do you think this was abnormal, the</p> <p>18 way these leases were provided to you?</p> <p>19 A. I didn't know. No one sat down to me</p> <p>20 and said: This is how a normal goes, this is how a</p> <p>21 Bill Kane goes. I did not know because I had never</p> <p>22 had any formal training in real estate processing. I</p> <p>23 did not know where the leases -- there were people in</p> <p>24 these properties, where they should have come from.</p> <p>25 Q. Okay. So your conversations with Miss</p>	<p style="text-align: right;">Page 29</p> <p>1 because I would have to look at the documents to see</p> <p>2 when Anthony Cicalese started coming into the</p> <p>3 picture, and then I would split my time between</p> <p>4 Mr. Yacker's office and Anthony's office.</p> <p>5 Q. So what do you mean that Mr. Cicalese</p> <p>6 came into the picture?</p> <p>7 A. I don't know who hired Anthony, but my</p> <p>8 guess is they wanted to phase out Mr. Yacker and</p> <p>9 bring in Anthony because he was a friend of Gary</p> <p>10 Grieser's, I believe.</p> <p>11 Q. Who is "they" that would be phasing out</p> <p>12 Mr. Yacker?</p> <p>13 A. That would be the Gary Grieser, Bill</p> <p>14 Kane combination.</p> <p>15 Q. Had Mr. Yacker done anything wrong that</p> <p>16 they wanted to phase out?</p> <p>17 A. Not that I was aware of.</p> <p>18 Q. Do you believe it's just because Mr.</p> <p>19 Grieser was friends with Mr. Cicalese that he wanted</p> <p>20 to give him the business?</p> <p>21 A. That could be.</p> <p>22 Q. Do you know why they had you keep</p> <p>23 working on these loans for -- with Mr. Cicalese?</p> <p>24 A. Because I was familiar with how to</p> <p>25 process them and because I asked Bill Kane if I</p>

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<p>1 needed to start looking for another job, and he said:</p> <p>2 No, I'll have you work with Anthony on these</p> <p>3 closings, so I started working with Anthony on the</p> <p>4 closings.</p> <p>5 Q. So if Mr. Yacker was your employer why</p> <p>6 would you be asking Mr. Kane if you needed to be</p> <p>7 looking for other employment?</p> <p>8 A. Because by that time I was working under</p> <p>9 Mr. Yacker but solely for Bill Kane closings. So if</p> <p>10 Mr. Yacker already had Carol working full time on his</p> <p>11 other things and he lost the Bill Kane closings, then</p> <p>12 I would need to look for another job.</p> <p>13 Q. Did Mr. Yacker have any other real</p> <p>14 estate closings going on?</p> <p>15 A. I believe so. I don't know who they</p> <p>16 are.</p> <p>17 Q. But you didn't handle any closings other</p> <p>18 than Mr. Kane's closings?</p> <p>19 A. Yes, exactly.</p> <p>20 Q. Would you say that Mr. Kane was your</p> <p>21 client?</p> <p>22 A. Yes.</p> <p>23 Q. What companies did Mr. Kane have?</p> <p>24 A. Cristo Properties and I believe Oakwood</p> <p>25 Properties. There might have been a third one but I</p>	<p>1 check?</p> <p>2 A. No, it came out of the disbursements at</p> <p>3 the end of the closing.</p> <p>4 Q. Would this \$200 have been reflected on</p> <p>5 the HUD-1?</p> <p>6 A. From Mr. Yacker's side it was included</p> <p>7 in the document fees. From Bill's side, I don't</p> <p>8 know. I don't know if -- I would have to -- I would</p> <p>9 have to look at a HUD statement to see.</p> <p>10 Q. I'll show you one in a moment.</p> <p>11 A. Okay, that's fine.</p> <p>12 Q. How did you communicate with Mr. Yacker</p> <p>13 and Mr. Kane and Mr. Grieser during this time?</p> <p>14 A. Well, I was in Mr. Yacker's office so I</p> <p>15 would speak to him while he was in the office. By</p> <p>16 Bill, mostly by cell phone, and then he would come to</p> <p>17 the office and we would discuss things in the office.</p> <p>18 Gary I did not speak to as much, but I did go to his</p> <p>19 offices if I needed to speak to him.</p> <p>20 Q. Where was his office located?</p> <p>21 A. West Bergen Place, Red Bank, New Jersey.</p> <p>22 Q. Did you go there often?</p> <p>23 A. Not often.</p> <p>24 Q. Were all of the loan closings at</p> <p>25 Mr. Yacker's office?</p>
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<p>1 don't remember that name.</p> <p>2 Q. Did you do loan closings for D&amp;Sons?</p> <p>3 A. That sounds familiar. If I did it was</p> <p>4 only in the very beginning. I believe that was the</p> <p>5 first one. Then it went to Oakwood. Then it went to</p> <p>6 Cristo. I believe that's how the name change went.</p> <p>7 Q. Do you know why the name changed?</p> <p>8 A. No.</p> <p>9 Q. In 1996 what was your salary when you</p> <p>10 were working for Mr. Yacker?</p> <p>11 A. I think 8.50 an hour. I think I started</p> <p>12 out at eight dollars an hour and got a 50 cent raise,</p> <p>13 and then I would be paid by the closing. As my</p> <p>14 duties with Mr. Yacker changed from doing all his</p> <p>15 full-time work to just the Bill Kane closings, then I</p> <p>16 was paid by the closing.</p> <p>17 Q. And no longer by the hour?</p> <p>18 A. Regularly, no.</p> <p>19 Q. How much were you paid by the closing?</p> <p>20 A. I was paid \$200. 100 from Mr. Yacker's</p> <p>21 side of his fees and 100 from Bill Kane's side of</p> <p>22 fees.</p> <p>23 Q. And were you paid by check or cash?</p> <p>24 A. By check.</p> <p>25 Q. Did each of them write you a separate</p>	<p>1 A. I don't want to say all of them. I</p> <p>2 would have to try and remember where the other</p> <p>3 ones -- there was a big conference table that we sat</p> <p>4 at. I would have to remember where that place was.</p> <p>5 Q. We will come back to that at the end and</p> <p>6 see if during our conversation you have a</p> <p>7 recollection.</p> <p>8 Whose job was it to maintain</p> <p>9 Mr. Yacker's attorney trust account?</p> <p>10 A. Mine. And then Bill decided that we</p> <p>11 needed to be computerized so he brought in an</p> <p>12 accountant, and I believe we loaded up a software</p> <p>13 program because before that it was all by hand. I</p> <p>14 remember the password. I don't remember the program.</p> <p>15 The accountant's first name I believe was Bill. And</p> <p>16 in the beginning Bill Kane had the accountant do the</p> <p>17 data entry of all past closing information. And then</p> <p>18 I was allowed to do data entry. And then after that</p> <p>19 I did most of the entries and disbursements. This is</p> <p>20 with Mr. Yacker. With Anthony Cicalese he did his</p> <p>21 own.</p> <p>22 Q. Okay. So you also maintained the cash</p> <p>23 disbursement journal?</p> <p>24 A. Yes.</p> <p>25 Q. Did you write checks for Mr. Yacker?</p>

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<p>1 A. Yes.</p> <p>2 Q. Did you write all of his checks or did</p> <p>3 Carol write some checks?</p> <p>4 A. She might have written some checks, but</p> <p>5 I wrote all the ones for Bill Kane closings.</p> <p>6 Q. Did Mr. Yacker personally sign these</p> <p>7 checks?</p> <p>8 A. Yes.</p> <p>9 Q. If an instance ever arose where you</p> <p>10 needed to sign Mr. Yacker's name, did you put your</p> <p>11 initials after it?</p> <p>12 A. Yes.</p> <p>13 Q. Did you always do that?</p> <p>14 A. Yes.</p> <p>15 Q. I know you had said that at least at the</p> <p>16 beginning Mr. Yacker prepared the HUD-1 statements.</p> <p>17 A. Yes.</p> <p>18 Q. Did that become your responsibility at</p> <p>19 some point?</p> <p>20 A. Yes. When I don't know.</p> <p>21 Q. Was it early on in the Kane closings?</p> <p>22 A. I would say about three or four months</p> <p>23 into it.</p> <p>24 Q. How did you learn how to fill out a</p> <p>25 HUD-1 statement?</p>	<p>1 Q. Okay. Were you responsible for</p> <p>2 forwarding deeds for recording?</p> <p>3 A. Yes.</p> <p>4 Q. Where did you send them?</p> <p>5 A. To Monmouth County Courthouse.</p> <p>6 Q. When did you send them for recording?</p> <p>7 A. I was -- in the beginning I was sending</p> <p>8 them out shortly after the closing happened. And</p> <p>9 then I was instructed to hold some because the way</p> <p>10 Bill Kane put it, somebody in Monmouth County was</p> <p>11 becoming suspicious of the influx of property being</p> <p>12 sold and bought in Asbury Park and Long Branch. So</p> <p>13 he had me hold documents aside and not forward them.</p> <p>14 Q. Do you remember when that was?</p> <p>15 A. No. If I looked at the documents I</p> <p>16 could tell you exactly.</p> <p>17 Q. Could it have been in the summer of</p> <p>18 1996?</p> <p>19 A. No. I want to say it was more fall '96.</p> <p>20 Q. Okay. Do you recall when -- at some</p> <p>21 point they must have been sent in for recording.</p> <p>22 Correct?</p> <p>23 A. At some point.</p> <p>24 Q. Do you recall when?</p> <p>25 A. I don't remember when.</p>
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<p>1 A. By observing what he did.</p> <p>2 Q. When you say "he," you mean Mr. Yacker?</p> <p>3 A. Mr. Yacker.</p> <p>4 Q. If you had a question about how to fill</p> <p>5 something out, would you have gone to Mr. Yacker?</p> <p>6 A. Yes.</p> <p>7 Q. Were you delegated with reviewing and</p> <p>8 complying with closing instructions that were sent to</p> <p>9 you by the lender?</p> <p>10 A. Did I review each document with the</p> <p>11 person?</p> <p>12 Q. No. When you received the closing</p> <p>13 packet you should have also received closing</p> <p>14 instructions. Correct?</p> <p>15 A. Yes.</p> <p>16 Q. Did you personally review those closing</p> <p>17 instructions yourself?</p> <p>18 A. Not always.</p> <p>19 Q. Why not?</p> <p>20 A. Closing instructions included what was</p> <p>21 needed to be returned with the packet. I believe</p> <p>22 Bill Kane reviewed them and made sure that I had all</p> <p>23 the documents I needed to send back with the package</p> <p>24 such as title information, whatever else is needed in</p> <p>25 the closing packet. I don't remember.</p>	<p>1 Q. Would you be responsible at that point</p> <p>2 for sending them in?</p> <p>3 A. Yes, but then again I was waiting for</p> <p>4 Bill to give me the go ahead to send them in. I</p> <p>5 remember there was a stack of them.</p> <p>6 Q. When you say a stack, how many is a</p> <p>7 stack?</p> <p>8 A. I had a box full.</p> <p>9 Q. And what you just gestured with your</p> <p>10 hand was about a foot high. Correct?</p> <p>11 A. A good eight to ten inches.</p> <p>12 Q. And these were just deeds?</p> <p>13 A. Just deeds.</p> <p>14 Q. What about mortgages? Were you</p> <p>15 responsible for forwarding mortgages for recording?</p> <p>16 A. Yes.</p> <p>17 Q. When did you do that?</p> <p>18 A. It might have been -- they were probably</p> <p>19 in the box too because they got sent as a pack. All</p> <p>20 the checks for the fees were written out for the</p> <p>21 recording fees so it would be the deeds, the</p> <p>22 mortgages, the flip deed and then the third deed.</p> <p>23 There were like three deeds back to back and the</p> <p>24 mortgage.</p> <p>25 Q. Let's just take a brief break.</p>

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<p>1 (A recess takes place.)</p> <p>2 Q. Miss King, we just finished going</p> <p>3 through basically an overview of your employment with</p> <p>4 Mr. Yacker. I just want to do the same thing with</p> <p>5 respect to Anthony Cicalese.</p> <p>6 Can you recall roughly when you began</p> <p>7 working for Mr. Cicalese?</p> <p>8 A. In 1997. January, February maybe.</p> <p>9 Q. And the reason you went to work with Mr.</p> <p>10 Cicalese was at Mr. Kane's request. Correct?</p> <p>11 A. Yes.</p> <p>12 Q. How did Mr. Yacker feel about you going</p> <p>13 to work for Mr. Cicalese?</p> <p>14 A. I'm sure he wasn't happy. We didn't</p> <p>15 discuss it much.</p> <p>16 Q. Did you discuss it at all?</p> <p>17 A. I did tell him that Bill Kane and Gary</p> <p>18 Grieser decided to use another attorney.</p> <p>19 Q. Did he ask you why?</p> <p>20 A. He might have, but I didn't know why</p> <p>21 other than the fact that I knew that Anthony and Gary</p> <p>22 had been friends.</p> <p>23 Q. Did Mr. Yacker have any conversations</p> <p>24 with Mr. Kane around this time?</p> <p>25 A. I don't remember. I'm sure he did, but</p>	<p>1 Hanover, and he asked me if I would work on other</p> <p>2 things. He did not have a lot of clients but he</p> <p>3 asked if I would do some secretarial work for his</p> <p>4 regular clients, so I agreed, and I would be paid per</p> <p>5 diem. I would go up once a week, twice a week to do</p> <p>6 his other secretarial work.</p> <p>7 Q. Where was his main office that you were</p> <p>8 working out of?</p> <p>9 A. He was downstairs below Gary on West</p> <p>10 Bergen, Red Bank, and then he had office space in</p> <p>11 East Hanover.</p> <p>12 Q. What kind of work was performed out of</p> <p>13 the Red Bank office?</p> <p>14 A. Strictly Bill Kane closings.</p> <p>15 Q. Did Mr. Cicalese do any other real</p> <p>16 estate work besides Mr. Kane's closings?</p> <p>17 A. I think I remember doing one in the East</p> <p>18 Hanover office for a friend of Anthony's because he</p> <p>19 didn't like doing real estate. In fact, he didn't</p> <p>20 like being a lawyer.</p> <p>21 Q. Are you still in touch with Mr.</p> <p>22 Cicalese?</p> <p>23 A. Oh, I haven't -- no.</p> <p>24 Q. When was the last time you think you</p> <p>25 spoke with him?</p>
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<p>1 I don't know what the conversation was.</p> <p>2 Q. Do you know if Mr. Yacker ever spoke to</p> <p>3 Mr. Grieser?</p> <p>4 A. I don't know.</p> <p>5 Q. After you had left Mr. Yacker's office</p> <p>6 you did some work still for Mr. Yacker with respect</p> <p>7 to the Kane closings. Correct?</p> <p>8 A. Yes.</p> <p>9 Q. Did you also do work on his trust</p> <p>10 account during that time?</p> <p>11 A. Whatever needed wrapping up I believe</p> <p>12 from the closings that were still in progress at his</p> <p>13 office. I want to say that we had a separate account</p> <p>14 for the Bill Kane closings so that it did not -- was</p> <p>15 not commingled with his other regular closings.</p> <p>16 Q. So you think there was a separate trust</p> <p>17 account?</p> <p>18 A. I think so.</p> <p>19 Q. What was your title while you worked for</p> <p>20 Mr. Cicalese?</p> <p>21 A. Secretary.</p> <p>22 Q. Did you have any secretarial duties?</p> <p>23 A. In the beginning it was mostly the Bill</p> <p>24 Kane closings, and then when Anthony left Gary</p> <p>25 Grieser's office, Anthony had another office in East</p>	<p>1 A. I would say 1997. I didn't work for</p> <p>2 Anthony too much longer after Bill Kane closings</p> <p>3 stopped.</p> <p>4 Q. Do you recall when that was?</p> <p>5 A. When the Bill Kane closings stopped?</p> <p>6 Q. Yes.</p> <p>7 A. When the FBI came in and took all the</p> <p>8 documents. That was in 1997, I would say summertime,</p> <p>9 June, July.</p> <p>10 Q. So there weren't any additional loans in</p> <p>11 the pipeline that you closed after the government --</p> <p>12 A. No.</p> <p>13 Q. -- investigation started?</p> <p>14 A. No.</p> <p>15 Q. What was your salary while you worked</p> <p>16 for Mr. Cicalese?</p> <p>17 A. I still got the hundred dollars from</p> <p>18 Anthony's side. Maybe 125 by then. I got a little</p> <p>19 raise. 125. And then 125 from Bill's side.</p> <p>20 Q. When you say Bill, you're referring to</p> <p>21 Bill Kane?</p> <p>22 A. Bill Kane, I'm sorry.</p> <p>23 Q. Did you receive any hourly rate other</p> <p>24 than the per diem when you did additional work up in</p> <p>25 East Hanover?</p>

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<p>1 A. No.</p> <p>2 Q. What was your per diem rate? Do you</p> <p>3 recall?</p> <p>4 A. A hundred dollars a day.</p> <p>5 Q. Did it take you a full day to handle a</p> <p>6 real estate closing with all the paperwork involved?</p> <p>7 A. I don't remember how long it would take.</p> <p>8 Q. Could you do more than one in a day?</p> <p>9 A. Who are we talking about? Are we</p> <p>10 talking about Bill Kane closings or normal closings?</p> <p>11 Q. A Bill Kane closing.</p> <p>12 A. A Bill Kane closing. It would be hard</p> <p>13 to say how long it took me to process one because I</p> <p>14 was not just processing one at a time. I had a stack</p> <p>15 that I would go through and make sure all the</p> <p>16 documents were signed in the proper places and then</p> <p>17 certain pages needed to be copied a certain amount of</p> <p>18 times and some didn't and because everybody needed</p> <p>19 copies of different things out of the closing packet.</p> <p>20 Q. Okay. When you started working for Mr.</p> <p>21 Cicalese, did you still consider Bill Kane to be your</p> <p>22 client?</p> <p>23 A. We both did.</p> <p>24 Q. Okay. So technically when you worked</p> <p>25 for Mr. Yacker and Mr. Cicalese, the "straw buyer"</p>	<p>1 A. I don't remember.</p> <p>2 Q. You stated while you worked for Mr.</p> <p>3 Cicalese that he maintained his own attorney trust</p> <p>4 account.</p> <p>5 A. Yes.</p> <p>6 Q. Did he also maintain his cash</p> <p>7 disbursement journal?</p> <p>8 A. Yes.</p> <p>9 Q. Did you ever write any checks for him?</p> <p>10 A. No.</p> <p>11 Q. Mr. Cicalese was the only one that wrote</p> <p>12 checks in his office?</p> <p>13 A. Yes.</p> <p>14 Q. Did you prepare the closing documents at</p> <p>15 Mr. Cicalese's office?</p> <p>16 A. I don't quite remember. I don't think</p> <p>17 so because Anthony had a computer program that was</p> <p>18 better than Mr. Yacker's, so I believe he did the</p> <p>19 closing documents.</p> <p>20 Q. So even though he didn't like the real</p> <p>21 estate closings he handled the closings documents?</p> <p>22 A. Yeah. He was getting paid to do it.</p> <p>23 Q. Well, so was Mr. Yacker.</p> <p>24 A. Yes.</p> <p>25 Q. Did Mr. Cicalese handle the closings for</p>
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<p>1 was on paper your client. Correct?</p> <p>2 A. Correct.</p> <p>3 Q. In reality, though, Bill Kane was your</p> <p>4 client?</p> <p>5 A. Correct.</p> <p>6 Q. Who else knew about that?</p> <p>7 A. Knew about what?</p> <p>8 Q. That Mr. Kane was really your client.</p> <p>9 Obviously Mr. Kane knew?</p> <p>10 A. Mr. Kane.</p> <p>11 Q. Mr. Grieser?</p> <p>12 A. Mr. Grieser, all of the staff at Mr.</p> <p>13 Grieser's office, Mr. Yacker, myself, Larry Cuzzi,</p> <p>14 National Home, the mortgage broker. Those are the</p> <p>15 ones I know for certain.</p> <p>16 Q. And who at National Home Funding?</p> <p>17 A. I can't remember their names over there.</p> <p>18 Q. Do you remember their positions?</p> <p>19 A. Well, one was the broker and then there</p> <p>20 was a secretary. I don't remember their names. They</p> <p>21 were on Route 33 in Freehold, I want to say.</p> <p>22 Q. Was the secretary there, was her last</p> <p>23 name Dinno?</p> <p>24 A. I don't know.</p> <p>25 Q. And the broker was a woman?</p>	<p>1 the Kane properties?</p> <p>2 A. Yes.</p> <p>3 Q. Did you participate in the closing in</p> <p>4 any way?</p> <p>5 A. Only if he had a question on a document.</p> <p>6 I didn't sit and speak with the straw buyer.</p> <p>7 Q. So would Mr. Cicalese have been</p> <p>8 responsible for reviewing and complying with Walsh</p> <p>9 Securities' closing instructions?</p> <p>10 A. I think we all three had -- I want to</p> <p>11 say by the time Anthony came into the picture it was</p> <p>12 all down pat what was needed for the closing</p> <p>13 instructions. There was the list and then Bill Kane</p> <p>14 brought his documents from National Home, from the</p> <p>15 real estate people, whatever was needed from</p> <p>16 everybody, it happened to get there. Bill Kane would</p> <p>17 pick up things from people and bring them so that we</p> <p>18 had everything we needed. I don't even know -- by</p> <p>19 this time we all knew what was needed in the packets.</p> <p>20 I don't really believe each closing instruction was</p> <p>21 gone over and check-marked and lines drawn through</p> <p>22 and -- it may not have even been gone over because</p> <p>23 everybody knew what documents were needed for these</p> <p>24 packets.</p> <p>25 Q. Were you responsible for forwarding the</p>

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<p style="text-align: right;">Page 46</p> <p>1 deeds for recording while you worked for Mr.  2 Cicalese?  3 A. I know I made the copies and I got them  4 ready, and again as we got closer towards the summer  5 of 1997, I don't -- I don't know if we held back any  6 deeds or not.  7 Q. At any time while you worked for Mr.  8 Cicalese do you recall holding back deeds?  9 A. I don't recall.  10 Q. Do you have any knowledge about when  11 they would have been sent in?  12 A. I know Anthony tried to do the right  13 thing and not hold back deeds or anything, but a  14 reason for holding back a deed is that towards the  15 end there we were selling properties that Cristo  16 didn't even own yet, so if we filed a deed and we're  17 missing a transfer someplace, they didn't want me to  18 file them.  19 Q. And was that while you were working for  20 Mr. Cicalese or also while you were working for Mr.  21 Yacker?  22 A. I believe both places, Yacker and  23 Cicalese.  24 Q. Do you know when deeds were supposed to  25 be sent for recording?</p>	<p style="text-align: right;">Page 48</p> <p>1 closings?  2 MS. WAGNER: Generally in the closings I  3 think they pretty much all were represented -- the  4 seller was all represented by one attorney.  5 MR. KOTT: Right. But in the closings  6 when Kane acquired the property or the closings when  7 the straw buyer acquired it or the closings when the  8 joint venture acquired it? That's what I mean.  9 Which closing are you referring to? That's why I was  10 confused.  11 MS. WAGNER: I understand.  12 Q. Did the closing -- you mentioned before  13 that there were usually three different closings  14 going on.  15 A. Yes.  16 Q. Did they all occur at the same time in  17 the same office?  18 A. Yes. However, Rick Pepsi was  19 representing Bill Kane.  20 Q. In what capacity?  21 A. As his attorney to -- Rick would  22 represent Bill Kane to buy the property from wherever  23 Bill got the property, from a foreclosure list, from  24 tax records. I truly don't know where they got all  25 the properties from, but I know some were</p>
<p style="text-align: right;">Page 47</p> <p>1 A. When? As soon after the closing as  2 possible.  3 Q. Did you know that at the time?  4 A. Yes.  5 Q. Going back to Mr. Yacker, in real estate  6 transactions like these did Mr. Yacker usually  7 represent the buyer or the seller?  8 MR. KOTT: Are you talking about the  9 fraudulent loans in this case?  10 Q. No, in general. In real estate  11 transactions.  12 A. In Bill Kane closings or all closings?  13 Q. In any closings.  14 A. He would represent sometimes buyers and  15 sometimes sellers.  16 Q. And Mr. Cicalese basically only  17 represented Mr. Kane?  18 A. Kane.  19 Q. In the Kane transactions, do you know  20 who represented the seller according to the  21 paperwork?  22 MR. KOTT: I'm sorry to interrupt.  23 Seller on which? You have the flip transactions, you  24 have -- there were a few closings. Are you referring  25 to one closing in particular in the series of</p>	<p style="text-align: right;">Page 49</p> <p>1 foreclosures. So Rick Pepsny would represent Bill on  2 the buy and then turn around and represent him from  3 the sell to the straw buyer, and we would represent  4 the straw buyer.  5 Q. So Mr. Pepsny actually earned closing  6 fees twice in one day in most instances?  7 A. I don't have information on the buy but  8 I'm sure, yes. I only received from Mr. Pepsny's  9 office I believe the deed coming from Cristo or Bill  10 Kane's company to the straw buyer. That's how I  11 would get two to three deeds happening all at the  12 same time. It would be seller to Bill Kane's  13 interest, Bill Kane to straw buyer, and then the  14 straw buyer to a joint deed with a Gary Grieser  15 company. So that would be three.  16 Q. I'm going to come back to that.  17 A. That's fine.  18 Q. I just want to go step-by-step through  19 the whole closing process.  20 A. That's fine.  21 Q. Can you describe your relationship with  22 National Home Funding?  23 A. I would send them copies of closing  24 documents and from them -- I don't remember the  25 documents I would have to get from them. And then</p>

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<p>1 there was one time that their files were a complete  2 mess that I went over and helped them organize.  3 Everybody had a property file that I made sure all  4 the documents that they said they needed to have in  5 their files in case they were investigated, all the  6 documents needed to be there. So I had to go through  7 all their files to kind of fill in the missing pieces  8 and make sure that copies of everything was in their  9 file that I had in my files that they needed.  10 Q. Were these files on properties that had  11 already closed?  12 A. Yes.  13 Q. Why did they think they would be  14 investigated?  15 A. I have no idea.  16 Q. But that was your understanding that  17 they were worried about being investigated?  18 A. That's what they told me. That's what  19 Bill Kane told me.  20 Q. Do you recall when that was? Was it one  21 occasion?  22 A. It was only one occasion.  23 Q. Do you remember when it was?  24 A. No.  25 Q. In 1997?</p>	<p>1 real estate people, Irene DeFeo and Donna Pepsny.  2 Then of course Rick Pepsny. National Home Funding,  3 me, Yacker, Anthony, Coastal Title people. I think  4 that's it for now.  5 Q. And Larry Cuzzi?  6 A. And Larry Cuzzi, of course Larry Cuzzi.  7 I don't know exactly where he came into the whole  8 story, but he was there from the beginning. I think  9 he was associated with Gary Grieser somehow.  10 Q. How did you meet Mr. Cuzzi?  11 A. I met Larry Cuzzi as David Lieber, and  12 it was a good two months before I found out his real  13 name was Larry Cuzzi.  14 Q. So you understood Mr. Cuzzi to be David  15 Lieber?  16 A. Yeah. Who was one of the first straw  17 buyers.  18 Q. And this would have been while you were  19 working for Mr. Yacker?  20 A. Yes.  21 Q. Did you ever know Mr. Cuzzi by any other  22 name beside Mr. Lieber?  23 A. Until one day somebody spilled the beans  24 to me and said that it was -- his name was Larry.  25 Q. Who was it that spilled the beans to</p>
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<p>1 A. I don't remember.  2 Q. How would you describe your relationship  3 with William Kane?  4 A. I was in contact with him a lot. He was  5 the ringmaster.  6 Q. What do you mean by that?  7 A. He found all the parties to go along  8 with this scheme. He was the boss.  9 Q. And who were all the parties involved in  10 the scheme?  11 A. I might miss a few but I'll do my best.  12 Of course there was Gary Grieser, he was the property  13 manager company that was supposed to maintain and  14 take care of the properties once they were purchased  15 by the straw buyers, to rent out, to fix up, to do  16 construction on. Then there was Mr. Calanni who I  17 didn't have much contact with. I don't know if I  18 ever met him before today or not. Maybe once or  19 twice, but Bill mostly spoke to the building  20 inspectors, appraisers. There was another one. I  21 don't know what part they had in it, what they were  22 actually needed for, but I know they were out there.  23 Q. When you say another one, another  24 appraiser?  25 A. Another appraiser. Then there were the</p>	<p>1 you?  2 A. I want to say somebody in Gary Grieser's  3 office. I don't remember who it was. It was like a  4 secretary.  5 Q. Do you recall how long after your first  6 interaction with him that you found out that his name  7 was really Larry Cuzzi?  8 A. Oh, it was a good month and a half, two  9 months. In the beginning I didn't have much  10 interaction with him, and then one day somebody, a  11 secretary, called up and said, Oh, I'm sending over  12 Larry with some documents. And I said, Oh, you mean  13 David? No, his name is Larry. So when he got there  14 I was a little pissed. I said, Hi, Larry, and his  15 face like just dropped and I'm like, you know, you  16 guys don't have to lie to me. So I got little pissed  17 off and I told Bill Kane about it too.  18 Q. Why would he have been bringing over  19 documents to you?  20 A. They were always bringing documents back  21 and forth, whether it was a -- you know, closing  22 documents or paperwork, they needed copies of -- you  23 know, the final closing documents. Paperwork was  24 always going back and forth.  25 Q. And when you say "they," are you talking</p>

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<p>1 about National Home Funding or William Kane's office?</p> <p>2 A. William Kane's office, Gary Grieser's</p> <p>3 office, National Home Funding needed their documents.</p> <p>4 Q. Who did you think Lieber or Cuzzi worked</p> <p>5 for at that time?</p> <p>6 A. I thought Bill Kane, but then I thought</p> <p>7 maybe Gary Grieser because he was a straw buyer and</p> <p>8 Gary was the one who came up with most of the straw</p> <p>9 buyers. A lot of the straw buyers were friends of</p> <p>10 Gary's or relatives or ex's or whatever. That was my</p> <p>11 impression.</p> <p>12 Q. Can you tell me to the best of your</p> <p>13 ability what a straw buyer is?</p> <p>14 A. A straw buyer was a person who got paid</p> <p>15 for the use of their name to be on paper only for</p> <p>16 these flips, because Gary couldn't own more than four</p> <p>17 or five properties and they needed different names on</p> <p>18 the documents.</p> <p>19 Q. Why is that?</p> <p>20 A. I don't know. That's what I was told by</p> <p>21 Bill Kane.</p> <p>22 Q. Was that because it would have raised</p> <p>23 suspicion do you think?</p> <p>24 A. I don't know their reasoning.</p> <p>25 Q. When did you first hear the term "straw</p>	<p>1 A. Mr. Kane. Gary didn't talk a lot.</p> <p>2 Q. Before you said you didn't believe you</p> <p>3 had ever met Robert Skowrenski. Is that correct?</p> <p>4 A. I don't believe so but if I saw his face</p> <p>5 I might recognize him.</p> <p>6 Q. Do you recognize the name?</p> <p>7 A. No. Then again I am not so good with</p> <p>8 names.</p> <p>9 Q. I think some people called him Robbie</p> <p>10 Skowrenski. Does that sound familiar?</p> <p>11 A. Robbie? Robbie sounds familiar.</p> <p>12 Q. Do you remember in what context?</p> <p>13 A. No. Robbie.</p> <p>14 Q. Before you mentioned a number of people</p> <p>15 that knew about the scheme. I will go through each</p> <p>16 of them and let me know if you think they knew about</p> <p>17 the straw buyers. You believe Mr. Grieser knew about</p> <p>18 the straw buyers?</p> <p>19 A. Yes.</p> <p>20 Q. Do you believe Mr. Calanni knew about</p> <p>21 the straw buyers?</p> <p>22 A. I don't think.</p> <p>23 Q. You don't know?</p> <p>24 A. I don't know.</p> <p>25 Q. Irene DeFeo?</p>
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<p>1 buyer"?</p> <p>2 A. Bill Kane was the first one who</p> <p>3 mentioned it to me, and it was, I would say, about</p> <p>4 four or five months into the closings.</p> <p>5 Q. With the first Lieber closing, would</p> <p>6 that have been closed by Mr. Yacker or you?</p> <p>7 A. Yes.</p> <p>8 Q. By Mr. Yacker?</p> <p>9 A. Yes.</p> <p>10 Q. Would there have been multiple loans</p> <p>11 closed on that day?</p> <p>12 A. Maybe one or two.</p> <p>13 Q. Did you at some point close loans for</p> <p>14 the so-called Mr. Lieber?</p> <p>15 A. There might have been one towards the</p> <p>16 end of his like allotment. I think he did three or</p> <p>17 four maybe. I don't know. I can't remember without</p> <p>18 looking at the documents.</p> <p>19 Q. You used the term allotment. Was</p> <p>20 there -- what does that mean?</p> <p>21 A. It means, like I explained with Gary</p> <p>22 Grieser, he could only have his name on a certain</p> <p>23 amount.</p> <p>24 Q. Was that Mr. Grieser or Mr. Kane that</p> <p>25 told you that?</p>	<p>1 A. I would want to say yes.</p> <p>2 Q. Did Donna Pepsny know about the straw</p> <p>3 buyers?</p> <p>4 A. Yes.</p> <p>5 Q. Did Richard Pepsny know about the straw</p> <p>6 buyers?</p> <p>7 A. Yes.</p> <p>8 Q. Did National Home Funding know about the</p> <p>9 straw buyers?</p> <p>10 A. I don't know.</p> <p>11 Q. Did Mr. Yacker know about the straw</p> <p>12 buyers?</p> <p>13 A. Yes.</p> <p>14 Q. Did Mr. Cicalese know about the straw</p> <p>15 buyers?</p> <p>16 A. Yes.</p> <p>17 Q. Did Coastal Title know about the straw</p> <p>18 buyers?</p> <p>19 A. I don't know.</p> <p>20 Q. And I guess Larry Cuzzi you would say</p> <p>21 would know about the straw buyers?</p> <p>22 A. Big yes.</p> <p>23 Q. Well, it's one o'clock now. Let's try</p> <p>24 and take a 20-minute lunch break. Is that okay?</p> <p>25 (A lunch recess takes place.)</p>

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<p style="text-align: right;">Page 58</p> <p>1 Q. Do you know if Dave Lieber, the real 2 David Lieber, ever was a purchaser of any of these 3 properties? 4 A. I never met the real David Lieber. I 5 believe he was a friend of Larry Cuzzi's, and I don't 6 know if he ever knew they used his name or not. 7 Q. Okay. Have you ever heard of Shaggy? 8 A. No. 9 Q. Are you aware that Mr. Kane was involved 10 in this sort of fraud in Brooklyn? 11 A. I found out afterwards. 12 Q. When you say afterward -- 13 A. After my association with Mr. Kane was 14 ended. 15 Q. What did you hear about it? 16 A. That he was under investigation for the 17 same type of scam in Brooklyn and in Florida. 18 Q. Who did you hear this from? 19 A. Someone who wasn't supposed to tell me. 20 Q. Who was that? 21 A. An FBI agent. 22 Q. When closing funds were wired were they 23 wired by Walsh Securities directly into the closing 24 attorney's trust account? 25 A. Yes.</p>	<p style="text-align: right;">Page 60</p> <p>1 Jersey." Do you recognize those names? 2 A. Some of them. 3 Q. Which ones don't you recognize? 4 A. G.J.L. Limited, and I don't believe I 5 ever did any closings under the DEK Homes of New 6 Jersey. 7 Q. Okay. Under B it lists: "The mortgage 8 banks providing funding for the borrowers were Walsh 9 Securities, Inc. National Home Funding Inc. and/or 10 Selective Funding Finance, LTD." Did you ever deal 11 with Selective Finance? 12 A. No. 13 Q. As you previously testified National 14 Home Funding never provided funding for any of the 15 borrowers. Correct? 16 A. No. 17 Q. Below that under Section C it lists a 18 number of property purchasers. Do you recognize any 19 of these names? 20 A. Some I do not recognize. 21 Q. Do you recognize the majority of these 22 names? 23 A. Yes, I do. 24 Q. And the reason that you recognize the 25 majority of these names is because you were closing</p>
<p style="text-align: right;">Page 59</p> <p>1 Q. And were the funds wired from Walsh 2 Securities? 3 A. I believe that's where they came from. 4 Q. They weren't wired from National Home 5 Funding? 6 A. No. 7 (King-2, Attachment B, Document to be 8 Seized, is received and marked for identification.) 9 Q. Miss King, what you're being handed is a 10 document titled: Attachment B, Documents to Be 11 seized. It was produced by Mr. Yacker and the Bates 12 stamp is SYSW 005187 through 5189. I assume you have 13 never seen this document before? 14 A. No, I have not. 15 Q. It's related to documents to be seized 16 at the office of Mr. Yacker and at the home of Mr. 17 Yacker. Does that look like the office address that 18 you most recently worked at? 19 A. Yes. 20 Q. 729 Highway 34 in Matawan? 21 A. Yes. 22 Q. Under number 1A it says: "The sellers 23 or purchasers of real property where William Kane, 24 Cristo Property Management, D&amp;Sons Inc., G.J.L. 25 Limited, Oakwood Properties, or DEK Homes of New</p>	<p style="text-align: right;">Page 61</p> <p>1 multiple loans for all of these names? 2 A. Yes. 3 Q. Other than Mr. Cuzzi did you know any of 4 these people personally? 5 A. No. 6 Q. Do you know, as you sit here, whether 7 any of these people other than Mr. Cuzzi ever came to 8 any of the loan closings? 9 A. I believe I met a Jill Montanye. I 10 don't know. In the beginning I didn't do the 11 closings so I didn't sit there with them. 12 Q. But other than Jill Montanye and 13 Lawrence Cuzzi you're not sure whether you met any of 14 these people personally? 15 A. No. 16 Q. Under number two it appears they were 17 looking for documents related to transactions in 18 which property interests were conveyed to Capital 19 Assets Property Management, an investment company. 20 Of the Kane loans that you closed did all of -- 21 excuse me. Did all of the Kane loans that you closed 22 involve transfers of interest to Capital Assets? 23 A. Not all of them. 24 Q. A majority of them? 25 A. I would say the majority.</p>

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<p>1 Q. Did you ever close any of the so-called</p> <p>2 Kane loans that you believed to be legitimate?</p> <p>3 A. I believe there were a few in the very</p> <p>4 beginning that were legitimate, that people bought</p> <p>5 property from Bill Kane. I don't remember their</p> <p>6 names. In the beginning there was a couple who had</p> <p>7 bought an -- I want to say like a three- or</p> <p>8 four-family house that they were going to renovate</p> <p>9 and rent out. I don't remember her name.</p> <p>10 Q. Other than a few in the beginning, the</p> <p>11 vast majority of them would you say were fraudulent?</p> <p>12 A. Yes.</p> <p>13 Q. Have you ever heard of Michael Alfieri?</p> <p>14 A. The name sounds familiar.</p> <p>15 Q. Do you recall why it sounds familiar?</p> <p>16 A. No.</p> <p>17 Q. Under number 5B it lists real estate</p> <p>18 appraisers and includes Richard Calanni, Thomas</p> <p>19 Brodo, James Brown, and Richard DiBenedetto. You met</p> <p>20 Mr. Calanni today. Have you ever spoken with Thomas</p> <p>21 Brodo?</p> <p>22 A. I don't have it here. I don't remember</p> <p>23 a Mr. Brodo.</p> <p>24 Q. The second page isn't there with --</p> <p>25 A. I have a B.</p>	<p>1 appraiser to contact your office and ask for this</p> <p>2 sort of information?</p> <p>3 A. Yes.</p> <p>4 Q. Have you ever heard of Roland Pierson?</p> <p>5 A. No.</p> <p>6 Q. Were you aware in 1996 and 1997 before</p> <p>7 the federal and local governments got involved in</p> <p>8 this case that the appraisers were over inflating the</p> <p>9 values of the homes they were appraising?</p> <p>10 A. I didn't know what they did.</p> <p>11 Q. Did you have any reason to believe that</p> <p>12 the purchase price of these properties was inflated?</p> <p>13 A. Well, of course I did because I would</p> <p>14 see the deed come from Rick Pepsny for 50, 70,</p> <p>15 \$80,000 and then the new mortgage would come through</p> <p>16 at 190, 200, around that area, but I don't know how</p> <p>17 they came up with those figures.</p> <p>18 Q. Did you ever think that they were able</p> <p>19 to purchase -- that Kane was able to purchase these</p> <p>20 properties at such a low price because he was getting</p> <p>21 them through foreclosures or tax sales?</p> <p>22 A. That's the way I was told that he got</p> <p>23 them, and that's the reason -- because I asked Bill</p> <p>24 one day, I'm like, there's a big difference here, of</p> <p>25 course, and he said, Well, what we were going to do</p>
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<p>1 Q. 5188.</p> <p>2 A. No. Unless I missed something. Oh, I'm</p> <p>3 sorry. My mistake. Richard DiBenedetto and Richard</p> <p>4 Calanni. Thomas Brodo, I don't recall him. And</p> <p>5 James Brown, I don't recall him either.</p> <p>6 Q. Do you recall why Richard DiBenedetto</p> <p>7 sounds familiar to you?</p> <p>8 A. No. I didn't have much to do with the</p> <p>9 real estate appraisers. They weren't people who I</p> <p>10 would normally talk to because they didn't have a</p> <p>11 part in my documents.</p> <p>12 Q. Mr. Calanni had asked you some questions</p> <p>13 about providing him with some comparables that he</p> <p>14 could use in his appraisals. He was looking -- let</p> <p>15 me just go back a second.</p> <p>16 My understanding is that Mr. Calanni's</p> <p>17 previous testimony is that he needed more current</p> <p>18 comparables in order to do his appraisals and so he</p> <p>19 had contacted your office to find out about recent</p> <p>20 loan closings that he -- that wouldn't be on the MLS</p> <p>21 yet that he would be able to use as comparables. Do</p> <p>22 you have any specific recollection of providing him</p> <p>23 with this information?</p> <p>24 A. No.</p> <p>25 Q. Would it have been unusual for an</p>	<p>1 with that money was get the actual value of the</p> <p>2 property and then take out enough so that we could</p> <p>3 fix them up and rent them.</p> <p>4 Q. Okay. So you didn't have any reason to</p> <p>5 think that these properties weren't worth 190 or</p> <p>6 \$200,000 other than the fact that there was that</p> <p>7 difference there?</p> <p>8 A. I don't know anything about real estate.</p> <p>9 Q. Do you have any recollection of telling</p> <p>10 any appraiser that Calanni or that Kane was the</p> <p>11 seller on any of these properties?</p> <p>12 A. Say that again. Do I have any</p> <p>13 recollection --</p> <p>14 Q. Of any of these appraisers who had</p> <p>15 called your office, do you have any recollection of</p> <p>16 telling any of them that Kane was the seller, William</p> <p>17 Kane was the seller of these properties?</p> <p>18 A. I don't recall having any kind of that</p> <p>19 conversation with any appraiser.</p> <p>20 Q. Do you recall telling anyone at Walsh</p> <p>21 Securities that William Kane was the seller of these</p> <p>22 properties?</p> <p>23 A. I don't think I would have said anything</p> <p>24 like that. That Bill Kane was selling these</p> <p>25 properties? That would not have been part of the</p>

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L. KING

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<p>1 conversation I would have had with a bank person. I 2 recall mostly calling or speaking to a bank person 3 about documents. That would have been my 4 conversation with them, what documents were needed, 5 what do we have to do to get the closing done, what 6 are you missing, what do you need. 7 Q. So to the best of your knowledge the 8 bank people like Walsh Securities would only know who 9 the seller of the property was based on what was 10 on -- 11 A. On the documents. 12 Q. -- the documents? 13 A. And Bill's -- Bill Kane's relationship 14 with someone at the bank. That's all I would know. 15 Q. What was Bill Kane's relationship with 16 somebody at the bank? 17 A. My understanding, not factual, my 18 understanding is that he worked very closely with 19 Walsh Securities to get the funding for these 20 closings. He was always in contact with someone at 21 Walsh Securities, whether it be Betty Ann or... 22 Q. What did he tell you about that? 23 A. He was at Walsh Securities a lot. I 24 don't recall actual conversations, but he was there a 25 lot. They were trying to build a portfolio of</p>	<p>1 anything like that, but that's the way he explained 2 it to me. 3 Q. Let me just take a step back. What 4 would you describe as a typical flip? 5 A. A typical flip. I may miss some parts 6 but let me try and remember. Okay. Let's see. 7 Q. This is a typical Kane flip. Right? 8 A. Yeah. They were the only kind I knew. 9 It would start out with Bill calling me and I would 10 make a list of properties that he had his eye on. So 11 I would write down the properties and their addresses 12 and then I -- I'm going to miss some pieces here, I 13 know it. I would make a list and send it to Rick 14 Pepsny to verify that's what he had because I was 15 always talking to Rick and Rick's office. So I would 16 send him the list, and then we would start gathering 17 the documents needed for the closing such as title, 18 real estate contract, information from National Home 19 Funding. And then as we got closer to the closing he 20 would tell me, yes, this one goes through, this 21 doesn't. You know, he would give me the breakdown of 22 which exactly ones would happen. Coastal would get 23 their title stuff together and then documents would 24 come from Walsh, get signed. 25 Then I would go through them, make sure</p>
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<p>1 properties so that they could go public and sell 2 stock. That's the way Bill -- Bill Kane explained it 3 to me one time because I asked him -- it had to have 4 been really '97. 5 Q. When you say, "they were trying to build 6 a portfolio" -- 7 A. Bill Kane and Gary Grieser because I 8 asked them what was the rush because everything was 9 always rush, rush, rush, you know, you never could 10 get anything done properly because as soon as the 11 last batch closed at the end of the month, because he 12 said that Walsh Securities needed to loan out a 13 certain amount of money each month in order to get 14 their funding. So at the end of the month is when 15 the closings would happen and that -- I asked him one 16 time, I'm like, what's the big rush? We started out 17 with maybe like five to ten closings a month and then 18 it jumped to like 15 and 20, and it was getting 19 insane. And I was like: Why? What's the reason for 20 all the closings? Like we have to have 200 21 properties minimum in order for us -- and be in 22 business for two years in order for us to go public 23 and sell stock, which I don't know if that was the 24 truth or not. I don't know anything about stocks. I 25 don't know anything about property management or</p>	<p>1 everything was in the packet, send back to Walsh. 2 Bill would go over disbursements with me. I would 3 write checks. And then I would make copies, get the 4 package ready for overnight because Walsh needed them 5 back within a day or two, and then I would finish 6 making the copies, get the documents ready for 7 filing. If I was at a point where they could be 8 filed I would send them off to Freehold for -- or 9 Bill Kane would have somebody take them out to 10 Freehold to get filed because after a while there 11 were so many, to stick them in an envelope and paying 12 postage, he would have somebody take them out. Maybe 13 Larry. 14 Q. Larry Cuzzi? 15 A. Yeah. And take them out to Freehold for 16 filing and then start all over again for the next 17 month. I know I missed some steps in there, but at 18 one point I knew I would get a deed from Rick going 19 from the original buyer into one of Bill Kane's 20 companies, either that or I would get a copy of a 21 filed deed so that I could pick up that date from the 22 day that Bill Kane bought it and then flipped it. 23 Q. So were some of Bill Kane's properties 24 purchased prior to the loan closings that you 25 participated in?</p>

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<p>1 A. Some, most of them.</p> <p>2 Q. So most of the properties were already</p> <p>3 owned by Kane --</p> <p>4 A. Yes.</p> <p>5 Q. -- before you did the loan closing?</p> <p>6 A. Yes.</p> <p>7 Q. Now, you said you were always talking to</p> <p>8 Rick Pepsny's office?</p> <p>9 A. Uh-huh.</p> <p>10 Q. Why was that?</p> <p>11 A. To find out if he actually closed on his</p> <p>12 side for the property that Bill Kane had scheduled</p> <p>13 for closing for that month and to get documents from</p> <p>14 him because Coastal would bring them the title work.</p> <p>15 Q. You also said that you would get</p> <p>16 information from NHF. What kind of information did</p> <p>17 you get to get from NHF?</p> <p>18 A. Mortgage application.</p> <p>19 Q. Did they send you documents such as a</p> <p>20 copy of Social Security cards and driver's licenses?</p> <p>21 A. Sometimes I got that information.</p> <p>22 Q. You then said that Coastal would get the</p> <p>23 title stuff together?</p> <p>24 A. Yes.</p> <p>25 Q. Who would contact Coastal about getting</p>	<p>1 for the same property.</p> <p>2 MS. WAGNER: Why is that?</p> <p>3 MR. HAYES: Because one refers to land</p> <p>4 in Neptune and one refers to land in Asbury Park.</p> <p>5 MS. WAGNER: That's just the cover page.</p> <p>6 If you look at the next page on the one that refers</p> <p>7 to Neptune it's actually referring to property in</p> <p>8 Asbury Park.</p> <p>9 MR. HAYES: I don't see any addresses at</p> <p>10 all on King-3.</p> <p>11 MS. WAGNER: On page two it says right</p> <p>12 above the note: "Said premises are commonly known as</p> <p>13 1017-1019 Bangs Avenue.</p> <p>14 MR. HAYES: I see what you're saying.</p> <p>15 MS. WAGNER: And at the top it has the</p> <p>16 same file number as the first page.</p> <p>17 MR. HAYES: In light of the fact that</p> <p>18 they weren't marked, how do we know that Schedule A</p> <p>19 on King-4 goes with the rest of the package since on</p> <p>20 its face -- I'm looking to see if the rest of the</p> <p>21 pages have a file number on them anywhere.</p> <p>22 MS. WAGNER: They all have the same file</p> <p>23 number.</p> <p>24 MR. HAYES: One is 17767 and one is A.</p> <p>25 Right?</p>
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<p>1 the title information together?</p> <p>2 A. Sometimes I would, sometimes I would I</p> <p>3 believe Rick's office would because they needed title</p> <p>4 information for their buy from the original seller,</p> <p>5 make sure it was clear title.</p> <p>6 Q. So sometimes Rick Pepsny would order</p> <p>7 title documents for a closing that you were</p> <p>8 participating in?</p> <p>9 A. Yes.</p> <p>10 (King-3, Schedule A, Title Insurance</p> <p>11 Commitment, is received and marked for</p> <p>12 identification.)</p> <p>13 (King-4, Schedule A, Title Insurance</p> <p>14 Commitment, is received and marked for</p> <p>15 identification.)</p> <p>16 Q. King-3 and King-4 are two title</p> <p>17 insurance commitments from Commonwealth Title</p> <p>18 Insurance Company that came out of documents produced</p> <p>19 to the repository by Michael Schotlin, and the top of</p> <p>20 the box referenced that they're related to Coastal</p> <p>21 Title. None of the documents in the box were Bates</p> <p>22 stamped. Both of these relate to property located at</p> <p>23 1017-1019 Bangs, B-a-n-g-s, Avenue in Asbury Park,</p> <p>24 New Jersey.</p> <p>25 MR. HAYES: It can't be. They can't be</p>	<p>1 MS. WAGNER: The second one -- King-4 is</p> <p>2 A and that -- what I was going to explain with these</p> <p>3 two documents, and I'll show them to you in just a</p> <p>4 second, Miss King, it appears that CT-17767, which is</p> <p>5 King-3, is a title commitment for the transaction</p> <p>6 between the Freidmans, F-r-e-i-d-m-a-n, and Cristo</p> <p>7 Property, and the one that is King-4, which is</p> <p>8 CT-17767A --</p> <p>9 MR. HAYES: Is the flip.</p> <p>10 MS. WAGNER: -- is the flip.</p> <p>11 MR. HAYES: Okay.</p> <p>12 Q. And I will just represent in looking</p> <p>13 through the files it appeared that when there's an A</p> <p>14 it was usually the same property and it was part of a</p> <p>15 flip but you can look through the documents.</p> <p>16 MR. HAYES: It's troubling to see</p> <p>17 documents that don't have Bates stamps on them in all</p> <p>18 these files.</p> <p>19 Q. Okay. Passing you what's been marked as</p> <p>20 exhibit three and exhibit four, if you can just take</p> <p>21 a look at those and see if they look like documents</p> <p>22 that you're familiar with, not that you necessarily</p> <p>23 remember these specific ones.</p> <p>24 Okay. Miss King, you have taken an</p> <p>25 opportunity to look at these two documents. Would</p>

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<p>1 you agree with my representation that King-3 appears 2 to be for the loan transaction between Norman and 3 Arline Freidman and Cristo Property Management? 4 A. Yes. 5 Q. And that King-4 appears to be for the 6 transaction between Cristo Property and Jill 7 Montanye? 8 A. Yes. 9 Q. And what makes you think that? 10 A. The names correspond. It does give the 11 original owner with a book and page number for the 12 deed from the Freidmans to Cristo Property and then 13 the Cristo Property, which does not have a book and 14 page number because that deed has not been recorded 15 yet, would go into Jill Montanye. 16 Q. Do you see that both of these have the 17 same commitment date as June 16, 1996? 18 A. Yes. 19 Q. And do you recognize these to be 20 so-called marked-up title commitments? 21 A. I have never seen the markings on here, 22 but, yes, they are marked up. 23 Q. Did you ever write on title insurance 24 commitments like this? 25 A. No.</p>	<p>1 would have ordered these title insurance commitments 2 on this property for Jill Montanye? 3 A. I don't know who ordered this. 4 (King-5, Closing Service Letter dated 5 July 11, 1996, is received and marked for 6 identification.) 7 (King-6, Invoice dated 7/11/96, is 8 received and marked for identification.) 9 (King-7, Deed dated 7/25/96, is received 10 and marked for identification.) 11 (King-8, Deed, is received and marked 12 for identification.) 13 (King-9, Deed, is received and marked 14 for identification.) 15 Q. Miss King, I'm handing you what's been 16 marked exhibit King-5, King-6, King-7, King-8 and 17 King-9. 18 King-5 is a closing protection letter, 19 closing service letter dated July 11, 1996 from 20 Commonwealth Land Title on the same property at Bangs 21 Avenue that we were just discussing. 22 King-6 is an invoice dated July 11, 1996 23 from Coastal Title Agency to Richard Pepsny. 24 King-7 is the deed dated July 25, 1996 25 between the Freidmans and Cristo Property.</p>
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<p>1 Q. Do you recognize the initials on these? 2 A. No, I don't. Let me look a little 3 closer here. The only thing that stands out to me is 4 the initial underneath the fee simple number three, 5 it has a W with a line underneath of it, which could 6 possibly be Bill Kane, his initial in the very 7 beginning. After a while he just did a little thingy 8 after that. He changed his initial. I do not know 9 who marked up the rest of the pages and checked off 10 anything. 11 Q. Do you recognize any of the handwriting? 12 A. No, I don't. 13 Q. Would you agree that the handwriting 14 looks similar on the two? 15 A. Yes. 16 Q. On King-4 under number three it states, 17 "The fee simple interest in the land described in 18 this commitment is owned at the commitment date by 19 Cristo Property Management, LTD. Is that correct? 20 A. That's what it states. 21 Q. Do you believe that was the case back 22 then given that both of these documents have the same 23 commitment date? 24 A. I don't know what to believe. 25 Q. Okay. Do you have any knowledge who</p>	<p>1 King-8 is a deed dated July 25, 1996 2 between Cristo Property and Jill Montanye. 3 And King-9 is a deed dated July 25, 1996 4 between Jill Montanye and Joe Montanye and Capital 5 Assets, which conveyed a 40 percent interest to Jill 6 Montanye and 60 percent to Capital Assets. 7 Each of those documents is Bates stamped 8 from the Coastal Title document production in the 9 repository. 10 Miss King, do you agree that the file 11 number on the closing service letter, which is marked 12 King-5, is the same file number as we just looked at 13 on the title insurance commitment where it indicates 14 the proposed insured is Jill Montanye? 15 A. Yes. 16 Q. It says on the reference line on the 17 first page that the issuing agent or attorney whose 18 conduct is covered is Richard J. Pepsny. Are you 19 familiar with closing service letters? 20 A. No. 21 Q. Do you understand the purpose behind a 22 closing service letter? 23 A. No. 24 Q. Do you have any reason to know why Mr. 25 Pepsny's name would be on this?</p>

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1 A. No.  
 2 Q. Okay. The next document, which is  
 3 King-6, it's an invoice to Richard Pepsny. Have you  
 4 ever seen a document like this?  
 5 A. I have seen documents like this.  
 6 Q. Can you tell from looking at this who  
 7 would have ordered this title search?  
 8 A. No, I don't know who ordered this title  
 9 search.  
 10 Q. This is also for Bangs Avenue and it  
 11 also has the same title number. Correct?  
 12 A. Correct.  
 13 Q. Do you have any idea why it's addressed  
 14 to Richard Pepsny?  
 15 A. I do not know.  
 16 Q. King-7 is a deed prepared by Mark A.  
 17 Steinberg, Esquire. Do you know Mr. Steinberg?  
 18 A. No.  
 19 Q. Have you ever met him?  
 20 A. Not that I'm aware of.  
 21 Q. Have you ever heard of his name?  
 22 A. No.  
 23 Q. Now, that deed is dated July 25, 1996  
 24 and at the bottom there's a stamp from the Monmouth  
 25 County Clerk's office dated April 8, 1997. Do you

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1 see that?  
 2 A. Yes.  
 3 Q. The next document, King-8, is a deed  
 4 dated July 25 -- also dated July 25, 1996, which was  
 5 prepared by Richard J. Pepsny, Esquire. The stamp at  
 6 the bottom from the Monmouth County Clerk's office is  
 7 also dated April 8, 1997. And it appears to have  
 8 been, if you look at the instrument number, recorded  
 9 right after King-7. Do you agree?  
 10 A. I agree.  
 11 Q. And then if you look at King-9, which is  
 12 a deed dated July -- also July 25, 1996, that was  
 13 prepared by you. Is that correct?  
 14 A. Yes.  
 15 Q. And it's dated by the clerk's office  
 16 April 8, 1997 and appears to have been filed right  
 17 after the first two. Is that correct?  
 18 A. That's correct.  
 19 Q. Does this look like a typical flip  
 20 transaction to you?  
 21 A. Yes, it does.  
 22 Q. Why is that?  
 23 A. Well, you've got your deed going from  
 24 the original seller to Cristo Properties and then the  
 25 Cristo Properties into the straw buyer, and then the

1 deed from the straw buyer into a joint venture with  
 2 Capital Assets.  
 3 Q. Do you have any idea why it took about  
 4 ten months for these to get filed with the Monmouth  
 5 County Clerk's office?  
 6 A. Well, this could have been one of those  
 7 that Bill told me to hold on to so they didn't hit  
 8 the county all at one time. And then at one point he  
 9 had someone come and pick them all up and take them  
 10 out to the county, so, therefore, they would have  
 11 been filed one right after the other. I do remember  
 12 that I would put on the deed the order that they  
 13 needed to be filed in. Like file this deed first,  
 14 file this deed second on yellow sticky notes. They  
 15 were all over the deeds.  
 16 Q. Why was that?  
 17 A. So that they would be in order from one  
 18 to another to another to another.  
 19 Q. Why did that matter?  
 20 A. Well, you wouldn't want the Capital  
 21 Assets to be filed before the Cristo Property one.  
 22 Q. If the Capital Assets one was filed  
 23 before the Cristo Property one, who would have the  
 24 deed to the property?  
 25 A. I have no idea.

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1 Q. Would it be whoever was filed last?  
 2 A. I have no idea.  
 3 Q. Who would have prepared these deeds?  
 4 A. I'm assuming that Mr. Steinberg prepared  
 5 the first deed, Rick Pepsny the second, King-8, and I  
 6 did King-9 for the joint venture deed.  
 7 Q. Did you actually type these up yourself?  
 8 A. The joint venture deed?  
 9 Q. Did you type up the joint venture deed?  
 10 A. Yes.  
 11 Q. And you would have no way of knowing  
 12 whether these other deeds were typed up by these  
 13 people?  
 14 A. I have no idea.  
 15 Q. Why are they marked with Coastal Title  
 16 Agency's address at the top of each one?  
 17 A. I have no idea.  
 18 Q. Would these have gone to Coastal Title  
 19 for filing?  
 20 MR. KOTT: Can you read the question  
 21 back?  
 22 (The pending question is read by the  
 23 court reporter.)  
 24 A. I don't know who picked them up.  
 25 Q. What role did Coastal Title Agency play

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L. KING

<p style="text-align: right;">Page 82</p> <p>1 in the closing process?</p> <p>2 A. They got their check. I don't know. I</p> <p>3 just -- whenever they called me for a question I</p> <p>4 would answer them. And, of course, we needed the</p> <p>5 title insurance. I know I needed that for the</p> <p>6 closing but after that I don't know.</p> <p>7 Q. Do you know what role Coastal Title</p> <p>8 Agency performed in the so-called scheme?</p> <p>9 A. No, just that we needed the title</p> <p>10 insurance documents because I needed the description.</p> <p>11 Q. Well, before I think you had described</p> <p>12 them as part of Bill Kane's ring?</p> <p>13 A. Uh-huh.</p> <p>14 Q. With him as the ringmaster?</p> <p>15 A. Uh-huh.</p> <p>16 Q. Why would you put them in the so-called</p> <p>17 ring?</p> <p>18 A. Because Bill gathered all the people</p> <p>19 together that he needed in order for these deals to</p> <p>20 go through. He knew what needed to be done to buy</p> <p>21 and resell these properties.</p> <p>22 Q. Do you know what Coastal Title Agency</p> <p>23 did for Bill Kane?</p> <p>24 A. No.</p> <p>25 Q. He never told you?</p>	<p style="text-align: right;">Page 84</p> <p>1 which would be a copy of the deed going from Cristo</p> <p>2 Properties into the straw buyer.</p> <p>3 Q. At the closing would you have had</p> <p>4 King-7, which was the deed from the original seller</p> <p>5 to Cristo Property?</p> <p>6 A. Not necessarily. I wouldn't necessarily</p> <p>7 have that. I might get it later from Rick Pepsny's</p> <p>8 office so that they could all be filed in order, but</p> <p>9 I wouldn't necessarily have that for a closing.</p> <p>10 Q. Were there occasions where Rick Pepsny</p> <p>11 took a while to provide you with these original</p> <p>12 deeds?</p> <p>13 A. Oh, yes. Oh, yeah.</p> <p>14 Q. Can you elaborate on that?</p> <p>15 A. Well, when -- remember when I said that</p> <p>16 Bill would come along and say, okay, these are the</p> <p>17 closings that we're going to do this month. For</p> <p>18 whatever reason it didn't happen, say, for example,</p> <p>19 in this case here, I'm looking at a title commitment</p> <p>20 dated June 16, which means that this would probably</p> <p>21 be on my list for the June end-of-month closings.</p> <p>22 However, because Rick couldn't get his side closed</p> <p>23 first by the end of June, it would be pushed to July</p> <p>24 so that would be the delay in not closing in June, if</p> <p>25 Rick couldn't get his side done by the end of June.</p>
<p style="text-align: right;">Page 83</p> <p>1 A. No. I just know that we had to have the</p> <p>2 title insurance as part of the closing documents</p> <p>3 because I needed the description to add to my deed.</p> <p>4 I don't know what their role was. All I know is that</p> <p>5 we needed them as part of the closing documents.</p> <p>6 Q. Do you know what role a title agency</p> <p>7 plays in providing title insurance?</p> <p>8 A. I do now.</p> <p>9 Q. What do you understand now?</p> <p>10 A. That you really need to have clear title</p> <p>11 in order to buy and sell properties and that there</p> <p>12 are stipulations that need to be met on the insurance</p> <p>13 policy in order for that closing to happen. A</p> <p>14 checklist.</p> <p>15 Q. And you didn't -- nobody explained that</p> <p>16 to you at the time?</p> <p>17 A. No, no. It's called "clear the title."</p> <p>18 And I have never had to deal with that even in normal</p> <p>19 closings because Mr. Yacker always handled that side</p> <p>20 of things when he did normal closings.</p> <p>21 Q. Now, when you did one of the Kane</p> <p>22 closings, would any of these documents that were</p> <p>23 marked King-5, King-6, King-7, King-8, King-9 be part</p> <p>24 of your closing documents?</p> <p>25 A. Probably out of any of them King-8,</p>	<p style="text-align: right;">Page 85</p> <p>1 Q. Did there come a point in time -- I</p> <p>2 think you had mentioned before that Mr. Pepsny didn't</p> <p>3 get his side done before the</p> <p>4 Cristo-to-the-straw-buyer closing occurred.</p> <p>5 A. That happened a couple times.</p> <p>6 Q. Do you recall the circumstances</p> <p>7 surrounding when that happened?</p> <p>8 A. Not specifics. I did not know. You see</p> <p>9 this whole thing was a work in progress. It started</p> <p>10 out very legitimately in the beginning and then as</p> <p>11 any greed comes into things it kind of got out of</p> <p>12 hand. And Bill was greedy and he wanted to make the</p> <p>13 money and he wasn't going to wait. So because Bill</p> <p>14 in the very beginning would not tell the players, the</p> <p>15 ring, who was doing what, we started making major</p> <p>16 mistakes like closing on properties that he didn't</p> <p>17 own already. And because Rick wasn't on the ball, I</p> <p>18 come to find out later on his secretary, I don't</p> <p>19 remember her name, young girl, I worked with her a</p> <p>20 lot, she would change dates on deeds, backdate them</p> <p>21 so it would flow on paper. However, document-wise he</p> <p>22 didn't own these properties.</p> <p>23 So after Rick found out that she was</p> <p>24 backdating or forward dating deeds he flipped. I</p> <p>25 think she got fired and that's when we started</p>

22 (Pages 82 to 85)

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<p style="text-align: right;">Page 86</p> <p>1 communicating a little better, and I started writing  2 lists, and I don't know if you ever found it in  3 there. The FBI said they never found my list, but  4 they were all over the place because I tried to be a  5 little organized. I made my list of properties and I  6 made checklists as to what was needed for each  7 closing. Checklist from this, this and this, and I  8 would fax it to the players. I faxed it to Rick, I  9 faxed it to Bill, I faxed it to Gary, I faxed it to  10 National Home Funding, I faxed it to everybody I  11 thought had to have a part in this that I was aware  12 of so that we didn't close on properties we didn't  13 own already.  14 Q. Would you have faxed it to Walsh  15 Securities?  16 A. I don't know if they were on my list. I  17 think I assumed Bill would deal with them because I  18 didn't really deal -- I wasn't in contact with Walsh  19 Securities on a regular basis. It was only when  20 there was a problem where they needed documents for a  21 closing would I speak to someone at Walsh.  22 Q. Now, tell me more about the document  23 that's marked King-9. It's the deed transferring  24 property from Jill Montanye to Jill Montanye and  25 Capital Assets.</p>	<p style="text-align: right;">Page 88</p> <p>1 Bill Kane I guess got in trouble and somebody said:  2 We got to get these deeds filed. So if you notice  3 there's probably a lot of deeds that are dated April  4 the 8th, 1997.  5 Q. I think you're right about that.  6 A. Yeah. So this deed number King-9 is an  7 afterthought.  8 Q. Was it prepared on July 25, 1996?  9 A. Probably not because by this time in  10 1996 I might have held -- I was probably holding back  11 deeds at Bill Kane's instruction, and then when they  12 came up with this joint venture thing, idea,  13 whatever, he probably said, Okay, go through the  14 deed -- go through your pile and make up that deed,  15 that joint venture deed, and attach it to them so  16 that they're filed one after the other.  17 Q. Do you know how much money the straw  18 buyer got for signing -- purportedly signing off on  19 this joint venture agreement?  20 A. I don't know exactly how much they got.  21 I was never told. A thousand, couple thousand, I  22 don't know how much they were paid. It wasn't paid  23 out of the trustee disbursements.  24 Q. Who paid it?  25 A. I don't know. I don't know if Bill Kane</p>
<p style="text-align: right;">Page 87</p> <p>1 A. This was a Gary Grieser, Bill Kane  2 invention because Capital Assets needed to have a  3 solid interest in these properties. Again, we  4 come -- this was all like explained to me afterwards.  5 Hindsight is 50/50, 20/20. Now I see it from a  6 distance, and it was explained to me why he needed  7 this, whether it's the truth or not, this is what was  8 told to me.  9 These -- this joint venture deed was  10 developed much, much later. The joint venture didn't  11 come into play until after a good six, seven months  12 of doing flips, because then they decided they wanted  13 to do this public stock thing and they needed to have  14 a valid interest in the properties in order to garner  15 these 200 properties. So, therefore, they had -- Mr.  16 Yacker -- Bill Kane and Mr. Yacker sat down and drew  17 up a joint venture agreement that from that point on  18 would be part of the closing package that was signed,  19 although that would not go to Walsh Securities. They  20 wouldn't see the joint venture. That would be held  21 aside and filed after these two deeds, which is  22 King-7 and King-8. So these here deeds were probably  23 held in the box because Bill Kane didn't want  24 Monmouth County flooded with deeds. And then when  25 there was that eight, nine, ten-inch stack going on,</p>	<p style="text-align: right;">Page 89</p> <p>1 paid it or Gary Grieser paid it. I don't know who  2 paid it.  3 Q. Now, is it your understanding that some  4 of these people didn't even know that their name was  5 being put on some of these documents?  6 A. I have no idea.  7 Q. You previously testified that these  8 people weren't always at -- these straw buyers  9 weren't always at a closing. Is that correct?  10 A. That's correct.  11 Q. So who would have been signing their  12 name at the closing?  13 A. I would give the documents to Bill Kane  14 and he would bring them back signed.  15 Q. Did he physically leave the office?  16 A. Yes, he did.  17 Q. For how long?  18 A. All afternoon. I would get them back  19 maybe the next day.  20 Q. So he could have been going and  21 having --  22 A. He could have possibly been going to  23 meet these people and getting their information.  24 Q. What do you think happened?  25 MR. HAYES: Objection.</p>

23 (Pages 86 to 89)

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<p>1 MR. KOTT: Objection to form.</p> <p>2 MR. HAYES: You can answer the question.</p> <p>3 A. I can speculate all you want. I can say</p> <p>4 that I speculate that he took them out to his car and</p> <p>5 signed them or had someone else sign them.</p> <p>6 Q. Do you have any firsthand knowledge that</p> <p>7 he did this?</p> <p>8 A. No, I did not see him sign papers.</p> <p>9 Q. Did he ever tell you what he was doing</p> <p>10 with the papers?</p> <p>11 A. No, he did not.</p> <p>12 Q. Did he ever tell you he was going to</p> <p>13 have these people sign the papers?</p> <p>14 A. I don't recall any words that said: Oh,</p> <p>15 I'm going to do this with these papers. He would</p> <p>16 just say: Get them ready and I'll take them and get</p> <p>17 them signed.</p> <p>18 Q. Did these loans ever fund before the</p> <p>19 papers came back signed?</p> <p>20 A. Of course they did. The reason being is</p> <p>21 that the papers would come overnight or Bill would</p> <p>22 pick them up directly from Walsh and bring them to me</p> <p>23 so I could pull together all the pieces for the</p> <p>24 closing that needed to get done and signed and ready</p> <p>25 to get sent back.</p>	<p>1 A. No.</p> <p>2 Q. Do you recall preparing anything called</p> <p>3 an Affidavit of Consideration or Exemption?</p> <p>4 A. I might have. I don't know. There were</p> <p>5 so many documents. I signed it as a notary. I don't</p> <p>6 remember typing it though.</p> <p>7 Q. But you wouldn't know what this is?</p> <p>8 A. No, I have no idea what this is. I was</p> <p>9 just told to sign it and I did.</p> <p>10 Q. Going back to King-9, you had said that</p> <p>11 you would not have provided this to Walsh Securities.</p> <p>12 Why not?</p> <p>13 A. Because I was told they only needed this</p> <p>14 one.</p> <p>15 Q. Which is King-8?</p> <p>16 A. King-8.</p> <p>17 Q. Who told you that?</p> <p>18 A. Probably Bill Kane.</p> <p>19 Q. I'm going to ask you to speculate, but</p> <p>20 do you think that Walsh Securities would want to know</p> <p>21 about the deed that's marked Kane-9?</p> <p>22 MR. HAYES: Objection.</p> <p>23 A. I would speculate that they would not</p> <p>24 want to see that.</p> <p>25 Q. Or at least that they would want to know</p>
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<p>1 Three o'clock was the magic hour because</p> <p>2 that's when Walsh Securities would fund by electronic</p> <p>3 trustee account. So we would get the money and then</p> <p>4 the documents would leave the office, come back</p> <p>5 signed, I would get them ready, copies made to</p> <p>6 whoever needed copies, the originals all got back --</p> <p>7 put back in a box or envelope and shipped overnight</p> <p>8 the next day.</p> <p>9 Q. Were funds ever disbursed before you got</p> <p>10 the signed documents back?</p> <p>11 A. Oh, yes. As soon as that three o'clock</p> <p>12 time came in, Bill Kane was right there and Gary</p> <p>13 Grieser.</p> <p>14 Q. What happened?</p> <p>15 A. And Gary would tell me how to split out</p> <p>16 and disburse the funds, who got what.</p> <p>17 Q. And you knew that the funds were not</p> <p>18 supposed to be disbursed until the loan documents</p> <p>19 were sent back. Correct?</p> <p>20 A. I suppose I should have known that.</p> <p>21 MS. WAGNER: I am not going to have you</p> <p>22 mark this, I am just going to show it to the witness.</p> <p>23 I'll give you guys a copy.</p> <p>24 Q. Do you know what an Affidavit of</p> <p>25 Consideration or Exemption or Partial Exemption is?</p>	<p>1 about the existence of such a deed, don't you think?</p> <p>2 A. I have no idea what Walsh Securities</p> <p>3 would want to know or not know other than the other</p> <p>4 deed.</p> <p>5 MR. HAYES: "The other deed" being</p> <p>6 King-8?</p> <p>7 A. King-8 showing that Jill Montanye was</p> <p>8 the owner of the property.</p> <p>9 Q. Now, you previously stated that you</p> <p>10 recognized the name Jill Montanye and I think that</p> <p>11 you did meet her.</p> <p>12 A. I might have.</p> <p>13 (King-10, Deed dated 7/25/96, is</p> <p>14 received and marked for identification.)</p> <p>15 MR. HAYES: Can we put on the record,</p> <p>16 since we didn't mark the prior document, that the</p> <p>17 document that was shown to Miss King previously, the</p> <p>18 affidavit, has a Bates stamp of CTC3709.</p> <p>19 Q. I've handed you a deed dated July 25,</p> <p>20 1996 between Jill Montanye and Jill Montanye and</p> <p>21 Capital Assets, which is Bates stamped CTC3706</p> <p>22 through 3708. In my review the first two pages</p> <p>23 appear to be the same as King-9 except that it has an</p> <p>24 additional page. Can you just take a look at it.</p> <p>25 Does this appear to be the full document?</p>

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<p>1 A. Yes.</p> <p>2 Q. And on the last page, this has your</p> <p>3 notary stamp. Correct?</p> <p>4 A. Yes.</p> <p>5 Q. Is that your signature?</p> <p>6 A. Yes.</p> <p>7 Q. And it's dated July 25, 1996. Correct?</p> <p>8 A. Yes.</p> <p>9 Q. Do you know if Jill Montanye was there</p> <p>10 that day when she signed this?</p> <p>11 A. No, I can't state that I know that for a</p> <p>12 fact.</p> <p>13 Q. Okay. But you do believe that it wasn't</p> <p>14 done -- it wasn't prepared on July 25, 1996, correct,</p> <p>15 since this is a joint venture agreement -- deed?</p> <p>16 A. Okay. You want to rephrase that so I</p> <p>17 get it straight?</p> <p>18 Q. Sure. Previously you had testified that</p> <p>19 the joint venture agreements didn't start until I</p> <p>20 believe a couple of months after this date in July of</p> <p>21 '96?</p> <p>22 A. Right.</p> <p>23 Q. And that you didn't think that the</p> <p>24 document I showed you that was marked King-9, which</p> <p>25 appears to be the filed version of this deed, which</p>	<p>1 here. That's my recollection.</p> <p>2 Q. What is your recollection of what the</p> <p>3 straw buyers were paid and for what?</p> <p>4 A. They were paid before the closing</p> <p>5 documents for use of their name and their credit to</p> <p>6 put properties in their name. So they would each get</p> <p>7 two or three because of whoever not wanting to see</p> <p>8 too many properties in one name. It wasn't in</p> <p>9 particular for this deed. It was an overall fee that</p> <p>10 they got paid for use of their name for whatever</p> <p>11 documents needed to be signed.</p> <p>12 Q. And do you know what they were provided</p> <p>13 for entering into this deed --</p> <p>14 A. I have no idea.</p> <p>15 Q. -- the joint venture?</p> <p>16 A. I have no idea what they were provided</p> <p>17 for that deed.</p> <p>18 MS. WAGNER: I want to take a break for</p> <p>19 a moment.</p> <p>20 (A recess takes place.)</p> <p>21 (King-11, Secondary Mortgage Loan, is</p> <p>22 received and marked for identification.)</p> <p>23 (King-12, HUD-1, is received and marked</p> <p>24 for identification.)</p> <p>25 (King-13, Closing Instructions by Walsh</p>
Page 95	Page 97
<p>1 is marked King-10, that you didn't think that it was</p> <p>2 entered into on July 25th. Is that correct?</p> <p>3 A. I want to remember that the joint</p> <p>4 ventures happened later so either I got her to sign</p> <p>5 this or -- I can't remember.</p> <p>6 Q. I am not trying to get you into trouble.</p> <p>7 A. I'm trying to remember when the joint</p> <p>8 ventures came into play because I know they weren't</p> <p>9 in play in the very beginning and if so -- I don't</p> <p>10 remember this, how they were able to get this one. I</p> <p>11 don't remember how this one worked. I know -- I'm</p> <p>12 pretty sure that the joint ventures didn't come in</p> <p>13 until later on. I don't remember when. I don't</p> <p>14 remember when the joint ventures came into play. I</p> <p>15 can't explain at this moment.</p> <p>16 Q. Okay. And on the third page of King-10</p> <p>17 it indicates that consideration for this agreement</p> <p>18 was under \$100. Is that correct?</p> <p>19 A. That's what it states.</p> <p>20 Q. But it's your understanding from what</p> <p>21 you were told that they certainly gave the straw</p> <p>22 buyers more than \$100?</p> <p>23 MR. HAYES: I'm going to object to the</p> <p>24 form. I think she said that they were paid money to</p> <p>25 use their name in the first place, not for the deed</p>	<p>1 Securities, is received and marked for</p> <p>2 identification.)</p> <p>3 Q. Miss King, I'm handing you what's been</p> <p>4 marked King-11. It's titled, "Secondary Mortgage</p> <p>5 Loan." And it's Bates stamped WS 1037662 through</p> <p>6 663.</p> <p>7 Have you ever seen a document like this</p> <p>8 before?</p> <p>9 A. I've seen them.</p> <p>10 Q. What is it?</p> <p>11 A. It says, "Secondary Mortgage Loan." I</p> <p>12 don't know why they -- "they" meaning Bill Kane and</p> <p>13 Gary Grieser determined that there was a secondary</p> <p>14 mortgage loan needed for this package, but they did</p> <p>15 and it was part of the closing documents that people</p> <p>16 signed.</p> <p>17 Q. And is this something that would have</p> <p>18 been sent to Walsh Securities?</p> <p>19 A. No.</p> <p>20 Q. It wasn't?</p> <p>21 A. No.</p> <p>22 Q. Is this something that would be filed</p> <p>23 with the county clerk?</p> <p>24 A. No.</p> <p>25 Q. Do you know why?</p>

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<p>1 A. No.</p> <p>2 Q. Was it because you weren't told to file</p> <p>3 it?</p> <p>4 A. I was told: Don't file it. It's not</p> <p>5 dated. It was --</p> <p>6 MR. HAYES: Let me object to the form of</p> <p>7 the question in that it implies to this witness that</p> <p>8 a promissory note is recorded. You can answer, I'm</p> <p>9 sorry.</p> <p>10 A. I don't know why they determined that</p> <p>11 this needed, this piece of paper, to be added to the</p> <p>12 closing documents. It was never dated. It was just</p> <p>13 signed and it was just added to the file. I don't</p> <p>14 know why.</p> <p>15 Q. What were you told with respect to</p> <p>16 filing it?</p> <p>17 A. "Don't file it."</p> <p>18 Q. Under number three on the first page it</p> <p>19 says: "I will make my monthly payment at 25 Oakwood</p> <p>20 Drive, Parlin, New Jersey."</p> <p>21 Do you know what person or company is at</p> <p>22 that address?</p> <p>23 A. Bill Kane's home address.</p> <p>24 Q. I'm going to hand you what's been marked</p> <p>25 King-12. It's a HUD-1 Uniform Settlement Statement</p>	<p>1 different between the settlement or closing fee and</p> <p>2 the attorney's fees?</p> <p>3 A. Explain the difference how? One went to</p> <p>4 Rick and one went to Stanley.</p> <p>5 Q. But why does it say settlement or</p> <p>6 closing fee to Rick Pepsny, but on the prior page it</p> <p>7 says settlement agent is Mr. Yacker?</p> <p>8 A. I have no idea. Closing fee maybe to</p> <p>9 Rick.</p> <p>10 Q. Both of these fees fall under the</p> <p>11 column: "Paid from seller's funds at settlement."</p> <p>12 Do you see that?</p> <p>13 A. Yes.</p> <p>14 Q. Was there -- was it typical that the</p> <p>15 seller paid both attorneys fees?</p> <p>16 A. I guess. This is how they showed me how</p> <p>17 to fill out this HUD statement so that's what I</p> <p>18 followed and did.</p> <p>19 Q. Would it have been --</p> <p>20 A. The seller meaning Cristo Property?</p> <p>21 Q. Correct.</p> <p>22 A. So in essence Bill Kane paid Rick Pepsny</p> <p>23 and Stanley Yacker.</p> <p>24 Q. That's what you're saying this says to</p> <p>25 you?</p>
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<p>1 Bates stamped WS 1037660 through 661 for loan number</p> <p>2 619473 for the property on Bangs Avenue that we have</p> <p>3 been discussing. B-a-n-g-s. Can you just take a</p> <p>4 moment to look it over.</p> <p>5 On the first page it indicates in</p> <p>6 Section H that the settlement agent is Stanley</p> <p>7 Yacker, Esquire.</p> <p>8 A. Yes.</p> <p>9 Q. And the settlement date is July 25,</p> <p>10 1996. Is that correct?</p> <p>11 A. Yes.</p> <p>12 Q. Under the "Summary of Borrower's</p> <p>13 Transaction" it states that "The existing loans taken</p> <p>14 subject to \$30,000."</p> <p>15 Would that be the \$30,000 secondary</p> <p>16 mortgage loan that we looked at in King-11?</p> <p>17 A. That could be possible.</p> <p>18 Q. Would the secondary mortgage loan</p> <p>19 typically be recorded on the HUD-1?</p> <p>20 A. Probably.</p> <p>21 Q. On the second page, the line marked 1101</p> <p>22 states: "Settlement or closing fee to Rick Pepsny</p> <p>23 for \$650." And then on line 1107, it states,</p> <p>24 "Attorneys fees to Stanley Yacker for \$650."</p> <p>25 Can you just explain to me what is</p>	<p>1 A. That's what it says to me.</p> <p>2 Q. Have you heard of seller's paying</p> <p>3 closing costs?</p> <p>4 A. I have no idea. This is a Bill Kane</p> <p>5 deal. They said pay this one and put it on this line</p> <p>6 and that's what I did.</p> <p>7 Q. So you don't have any -- you don't have</p> <p>8 any knowledge about whether this is unusual in real</p> <p>9 estate closings?</p> <p>10 A. I have no idea.</p> <p>11 Q. Do you see anywhere on this HUD-1 where</p> <p>12 it indicates any money going to the straw buyer?</p> <p>13 A. No, that would not show on here.</p> <p>14 Q. On the second page, line 1105, it has a</p> <p>15 document preparation fee of \$100. Would that go to</p> <p>16 you?</p> <p>17 A. That went to me.</p> <p>18 Q. Does it indicate on here anywhere the</p> <p>19 other hundred dollars that you got?</p> <p>20 A. No, that would have come out of</p> <p>21 Mr. Yacker's, the 1107, line 1107 fee.</p> <p>22 Q. So he would share \$100 of his attorney's</p> <p>23 fees with you?</p> <p>24 A. Yes.</p> <p>25 Q. Now, turn to King-13. It's the closing</p>

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<p>1 instructions by Walsh Securities on the Bangs Avenue 2 address that we have been discussing. It's Bates 3 stamped WS 1037604 through 606. I didn't give it to 4 you, I'm sorry. 5 Does this look like the closing 6 instructions you would receive from Walsh Securities? 7 A. Yes. 8 Q. On the last page it has Stanley Yacker's 9 signature with what appears to be initials after 10 that. 11 A. That would be me. 12 Q. So in this instance you signed on his 13 behalf? 14 A. Yes. 15 Q. And you indicated that with your 16 initials? 17 A. Yes. 18 Q. And by signing, the settlement agent was 19 acknowledging that he had closed and completely 20 disbursed the above-referenced loan in accordance 21 with the closing instructions. Is that correct? 22 A. That's what it states. 23 Q. Is that what happened? 24 MR. KOTT: I object to the form of the 25 question. Is the question: Was there any violation</p>	<p>1 Q. And on here it indicates under -- for 2 1017-1019 Bangs Avenue an amount of \$6,675. Is that 3 correct? 4 A. Yes, that's what it says. 5 Q. If you turn back to King-12, the HUD-1 6 settlement statement, do you know what this \$6,675 7 would have come from on the settlement statement? 8 A. Off the top of my head I don't know how 9 I arrived at that figure, but if you give me a minute 10 I'll figure it out. 11 Q. Okay. 12 A. Can I write on something? I can't 13 remember how they arrived at these figures. Most of 14 the time Bill Kane gave me figures to send people 15 money. Okay? Number 811, National Home Funding POC, 16 I can't remember what POC stands for. Don't ask. 17 Q. Okay. 18 A. But that was a fee that was paid to 19 National Home Funding that was included in that 20 \$5,250. I don't remember what that is. 21 (King-15, Stanley Yacker - Cash 22 Disbursement Journal, is received and marked for 23 identification.) 24 Q. This document is King-15. It says at 25 the top that it's the Stanley Yacker cash</p>
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<p>1 of these closing instructions? 2 MS. WAGNER: Yes. 3 MR. KOTT: Okay. 4 Q. Was it closed and completely disbursed 5 in accordance with the closing instructions? 6 A. Probably not. 7 Q. Did you ever tell anyone at Walsh 8 Securities that either you or Mr. Yacker were not 9 following their closing instructions? 10 A. No, I had no contact with Walsh 11 Securities regarding that. 12 (King-14, Memo dated 7/26/96, is 13 received and marked for identification.) 14 Q. I'm handing you what's been marked as 15 King-14. It's a memorandum from you at Stanley 16 Yacker's office to Mary at National Home Funding, 17 Bates stamp SYSW 006949, and it's from Mr. Yacker's 18 document production. Do you recognize this document? 19 A. Yes. 20 Q. What is it? 21 A. This is one of the lists of documents 22 that I would have sent to National Home Funding and 23 that's what it says. These are the ones that closed 24 and the amounts wired into National Home Funding's 25 account for their fees as broker.</p>	<p>1 disbursements journal for the period from July 1, 2 1996 to July 31, 1996, and it's Bates stamped SYSW 3 006901 through 6918. Does this look familiar to you? 4 A. No. 5 Q. You have never seen a report like this? 6 A. No. 7 Q. Once Mr. Yacker got his new computer 8 software to be able to start recording cash 9 disbursements had you ever seen a printed out report 10 from that software? 11 A. No. I didn't -- I didn't print out 12 listings. 13 MR. HAYES: Can we try to establish 14 whether she was there when this was printed out? 15 This may have been after she was gone. 16 Q. I think this was printed out, according 17 to the top left of every page, on July 17, 1997, 18 which would have been after you worked for Mr. 19 Yacker. Correct? 20 A. Yes. I didn't print this out. 21 Q. Although you did not print this document 22 out, do you know if this could have been printed from 23 that new software that he got? 24 A. It could have been but I never printed 25 out anything like this.</p>

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<p>1 Q. Is this the kind of information that you 2 would enter into that software?</p> <p>3 A. The information I entered in would have 4 been the amount of money that was wired in from Walsh 5 Securities and then disbursement of checks 6 afterwards. So each line item references a 7 disbursement.</p> <p>8 Q. On page 12 of the document, it ends in 9 Bates number 6912, if you could turn to page 12.</p> <p>10 A. Okay.</p> <p>11 Q. It shows a couple of disbursements on 12 July 25th related to 1017-1019 Bangs.</p> <p>13 A. Okay.</p> <p>14 Q. One disbursement is to CAPMI?</p> <p>15 A. CAMPI.</p> <p>16 Q. Do you know who that is?</p> <p>17 A. CAPMI. Capital Assets Property 18 Management. Those are the initials.</p> <p>19 Q. It shows that a disbursement for 20 \$55,500. Do you know why they were getting a 21 disbursement of \$55,500?</p> <p>22 A. I have no idea. Bill Kane gave me that 23 amount to say: Pay Gary Grieser that amount and 24 that's what I did.</p> <p>25 Q. And then further down for Richard Pepsny</p>	<p>1 real estate firm?</p> <p>2 A. In a Bill Kane closing anybody could get 3 money. I'm serious. Whatever he decided that 4 somebody needed to get paid it would come out of the 5 proceeds of sale from one of these flips.</p> <p>6 Q. On page 17 it indicates \$200 was 7 disbursed to you.</p> <p>8 A. That's correct.</p> <p>9 Q. And on the last page, page 18, for that 10 same property it indicates \$698 was disbursed to 11 Stanley Yacker.</p> <p>12 A. That is correct.</p> <p>13 Q. How did \$698 get disbursed to him? Do 14 you know?</p> <p>15 A. Well, you have to go back to the HUD 16 statement. I don't have the exact figures but I can 17 tell you in theory how it goes. I got my hundred, 18 Yacker got his 650 and whatever was left over from 19 the recording fees on line 1201, it was listed as 20 \$150 but of course recording fees don't come to that 21 amount. So whatever was left over from the recording 22 fees was tacked on to his fee and that's what he got.</p> <p>23 Q. But this loan wasn't recorded until 24 April of 1997.</p> <p>25 A. I said in theory.</p>
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<p>1 there's a number of job IDs associated with a 2 disbursement for him but among them is one for the 3 Bangs Avenue property in the amount of \$27,591.10. 4 Do you have any idea why that amount would have been 5 disbursed to Richard Pepsny?</p> <p>6 A. I have no idea. Again, Bill Kane gave 7 me all the figures to pay to whoever was to get 8 money.</p> <p>9 Q. On page 14 there's another disbursement 10 to Richard Pepsny for \$650 related to this property, 11 which happens to be the same amount as the fee listed 12 in the settlement charges on the HUD-1. Do you 13 agree?</p> <p>14 A. I agree.</p> <p>15 Q. It also shows a couple of voided checks 16 to the Monmouth County Clerk. Do you have any 17 recollection of why a check would be voided to the 18 Monmouth County Clerk?</p> <p>19 A. Nope.</p> <p>20 Q. On page 15 there's three different 21 disbursements totalling over \$15,000 to Murphy Realty 22 for the Bangs Avenue property. Do you know why 23 Murphy Realty would be getting a disbursement?</p> <p>24 A. I do not know.</p> <p>25 Q. Was it typical to disburse monies to a</p>	<p>1 Q. I understand.</p> <p>2 A. And to boot this check was voided so 3 technically --</p> <p>4 Q. The check to the Monmouth County Clerk 5 was voided?</p> <p>6 A. Yes.</p> <p>7 Q. There were two checks to the Monmouth 8 County Clerk, one for \$775 and one for \$77?</p> <p>9 A. Exactly, because one is the tax, sales 10 tax, and one was the recording fees. I believe they 11 had to be separate checks, and whatever was left over 12 from the recording fees out of that \$150 went to 13 Yacker.</p> <p>14 Q. On page seven there was a disbursement 15 to William Kane dated July 23, 1996 on this property 16 for \$28,000.</p> <p>17 A. Okay.</p> <p>18 Q. Do you have any idea why a few days 19 before the closing William Kane would have received 20 \$28,000?</p> <p>21 A. That money was probably taken from the 22 cash reserve that Bill had in Mr. Yacker's trust 23 account because he left some money in there and 24 that's what he needed to give to Rick Pepsny to buy 25 the property originally from -- through Rick Pepsny</p>

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<p>1 because it's \$28,000 and the buying price was \$28,000  2 from the original deed, King-7.  3 Q. Okay. Thank you, that helps.  4 (A discussion takes place off the  5 record).  6 (King-16, Mortgage, is received and  7 marked for identification.)  8 (King-17, Letter dated May 13, 1997, is  9 received and marked for identification.)  10 (King-18, Documents for Recording, is  11 received and marked for identification.)  12 (King-19, Letter dated July 30, 1996, is  13 received and marked for identification.)  14 Q. I show you what's been marked King-16.  15 It is a mortgage Bates stamped SYSW 04519, and the  16 last page in this packet is SYSW 04525. It appears  17 to be a mortgage for Alphonse Salvatoriello and  18 Elaine Salvatoriello for a property located at 155  19 Chelsea Avenue in Long Branch in addition to several  20 other documents such as the deed indicating the 60/40  21 joint venture, the Affidavit of Consideration or  22 exemption, the deed between Cristo and the  23 Salvatoriellos and that's it. Did you close this  24 loan?  25 A. Probably. My name is on it.</p>	<p>1 Q. Does the deed on the second page here  2 appear to be the joint venture deed?  3 A. Yes, that's correct.  4 Q. And that was prepared by you?  5 A. Yes.  6 Q. And on the same day the deed prepared by  7 Richard Pepsny between Cristo and the Salvatoriellos  8 was also filed. Correct?  9 A. Correct.  10 Q. Does this also appear to be a typical  11 flip for Mr. Kane?  12 A. Yes, it does.  13 Q. The next document is marked King-17.  14 It's a letter to Mr. Yacker from the City of Long  15 Branch tax assessor. It's Bates stamped SYSW 04516.  16 The last page doesn't have a Bates stamp but the  17 second page is 4517. The last page is a photocopy of  18 the -- I'm sorry, the last page is Bates stamped  19 4518. And this is a letter dated May 13, 1997 and  20 indicating the office did not have a record of a deed  21 transferring title from D&amp;Sons Construction Company  22 to Cristo Property Management, and apparently the  23 assessor's staff had been calling his office,  24 Mr. Yacker's office, for a month to try to get a copy  25 of the deed. Were you working for Mr. Yacker around</p>
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<p>1 Q. It's dated July 26, 1996. Is that  2 correct?  3 A. That's correct.  4 Q. So this is at least a second loan that  5 you closed on that date. Right?  6 A. That's correct.  7 Q. Now, this one was recorded with the  8 Monmouth County Clerk's office on February 26, 1997.  9 Do you see that?  10 A. Yes.  11 Q. Any idea why that one would have been  12 recorded in February?  13 A. I have no idea.  14 Q. Do you know why on the front page where  15 it says: "When recorded mail to Walsh Securities,"  16 and that's scribbled out.  17 A. I have no idea.  18 Q. What does R and R mean? Right above  19 where it says Stanley Yacker on the first page.  20 A. Something -- record and return. Record  21 and return.  22 Q. So this was changed from recording and  23 mailing back to Walsh Securities to recording and  24 mailing back to Mr. Yacker. Correct?  25 A. Yes.</p>	<p>1 this time?  2 A. I would say sporadically. This is the  3 first time I'm seeing these letters or hearing about  4 any mixup in the deeds.  5 Q. But do you have any idea what would have  6 happened?  7 A. You want my speculated guess?  8 Q. Yes.  9 A. Speculating --  10 MR. HAYES: I will object to any  11 speculation but go ahead, Miss King.  12 A. My nearest guess is that when Bill  13 bought the property Rick put the deed into Cristo  14 Property Management and not D&amp;Sons. Because all the  15 paperwork was sent up as Cristo Properties, through  16 National Home Funding, through Walsh Securities,  17 through all the documentation for Cristo Properties  18 to buy it, and Rick filed the original buy that Bill  19 Kane, as Cristo Property and/or D&amp;Sons, bought from  20 the original foreclosure person. So Rick did the  21 deed under D&amp;Sons and then flipped it under Cristo  22 Properties. So there's the missing deed. So all he  23 had to do was prepare a deed transferring title from  24 D&amp;Sons to Cristo Properties and there would have been  25 the missing person, but I think that there was so</p>

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<p>1 much going on that it got very confusing when Bill 2 changed names, when Bill Kane changed names and went 3 from D&amp;Sons to Cristo Properties. 4 (King-20, Mortgage, is received and 5 marked for identification.) 6 Q. Just so you don't have to speculate I'm 7 going to hand you King-18, 19 and 20. If you can 8 take a look at those. 9 King-18 is a letter from Stanley Yacker 10 dated February 10, 1997 to Monmouth County clerk 11 regarding documents for recording. It's Bates 12 stamped SYSW 04536 through 4546. King-19 is a letter 13 from Stanley Yacker to Norwest Mortgage regarding 14 D&amp;Sons Construction/Dinaso Bates stamped SYSW 04556 15 through four 558, and it's dated July 30, 1996. And 16 King-20 is a mortgage between D&amp;Sons Construction and 17 Dinaso and Community Home Mortgage Corporation that 18 appears to have been cancelled on either August 1, 19 1996 or December 9, 1996, and it's Bates stamped SYSW 20 04526 through 4529. 21 MR. HAYES: Let's go off the record for 22 a minute. 23 (A discussion takes place off the 24 record). 25 Q. Miss King, while I recognize you don't</p>	<p>1 responsibility to make up that deed to go from 2 D&amp;Sons. Rick did this. 3 Q. Do you know why Mr. Yacker's office 4 would have been paying off the D&amp;Sons mortgage? 5 A. Because Bill had money in Yacker's 6 account. That's the only answer. Bill had money in 7 Yacker's account to pay off this so that he could 8 flip it further. 9 Q. Okay. Were you aware that there were 10 phony leases created in connection with -- 11 A. Oh, I'm sure there were. 12 Q. Why do you say that? 13 A. Do we have a copy of a lease? 14 Q. Yes. 15 A. Can I see one? 16 MR. HAYES: Miss King, while she's 17 looking for that, can I just caution you to be 18 careful as to things you knew at the time versus 19 things that you now suspect as a result of all that 20 you have learned. You understand what I'm saying? 21 THE WITNESS: All I learned today or 22 learned over the past 14 years? 23 MR. HAYES: Well, over the past 14 years 24 up until today. I just don't know that you answered 25 that question that you were aware at the time that</p>
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<p>1 have any personal recollection of this, does looking 2 at these documents help you understand what happened 3 in the chain of the recording of the deeds? 4 A. I'm confused. 5 MR. HAYES: Off the record. 6 (A discussion takes place off the 7 record). 8 Q. These documents don't help you 9 understand what happened any more? 10 MR. HAYES: The answer is no? 11 Q. Is your answer no? 12 A. The answer is no. Can I say something 13 here? The answer is no because I only sent this, the 14 monies, apparently to pay off this mortgage. Whoever 15 put this mortgage through -- Rick, Rick did it, I can 16 tell just by the R/R thing at the top. It would be 17 the only reason I would have it returned to 18 Mr. Yacker's office, that somebody put his address on 19 there. That's not my stamp. If I were going to do 20 it I would have done it "record and return." This 21 says R/R. So I did not touch this document. Okay? 22 So that's why it's like unfamiliar to me. All I know 23 is I was directed to make payment to pay off this 24 mortgage, and as for the missing deed between D&amp;Sons, 25 which looks like is this, that would have been Rick's</p>	<p>1 there were phony leases. I got the impression from 2 your answer -- 3 THE WITNESS: I knew there were phony 4 leases but I would need to see one to help you 5 determine who created them. You guys taught me a lot 6 of lessons. 7 Q. I am not marking this as an exhibit but 8 this is several leases Bates stamped WS 1032968 9 through WS 1032975. I'm going to show it to counsel 10 first. It's on the 155 Chelsea Avenue property. 11 After you take a look at them let me know if these 12 lease refresh your recollection. 13 A. State your question again. 14 MS. WAGNER: Can you read it back. 15 (The pending question is read by the 16 court reporter.) 17 A. Was I aware? I don't remember for sure. 18 I never saw them. These I never saw. Shall I 19 speculate? 20 Q. No. Were leases ever part of your 21 closing packet? 22 A. Oh, I don't remember. 23 Q. Did you ever assist in preparing any 24 false documents? 25 A. Yes, I did.</p>

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<p>1 Q. What did you prepare?</p> <p>2 A. I signed documents at Bill's request,</p> <p>3 let's put it that way, so that the documents could be</p> <p>4 sent back to Walsh immediately because they wanted</p> <p>5 their documents back of course.</p> <p>6 Q. In what capacity did you sign these</p> <p>7 documents?</p> <p>8 A. As the straw buyer. Bill said that he</p> <p>9 had all the documentation from these people and it</p> <p>10 was okay and we need the documents signed so do it.</p> <p>11 Q. Did you sign or help prepare any other</p> <p>12 false documents?</p> <p>13 A. I processed so many papers I don't know</p> <p>14 what was false and what was real after a while.</p> <p>15 We're talking 200 closings here, massive amounts of</p> <p>16 paperwork. I don't know what was real and what was</p> <p>17 fake after a while.</p> <p>18 Q. So Mr. Kane knew that you were doing</p> <p>19 this?</p> <p>20 A. Yes, Mr. Kane knew I was doing it.</p> <p>21 Q. Did anyone else know that you were</p> <p>22 preparing false documents?</p> <p>23 A. Mr. Yacker knew. I'm sure Larry Cuzzi</p> <p>24 knew. I am sure Gary Grieser knew. Anthony Cicalese</p> <p>25 knew. But he stopped it. He wouldn't allow me to</p>	<p>1 A. It was a paper -- a piece of paper that</p> <p>2 had a check number on it, had an amount written in</p> <p>3 but it was never going to see a bank, and I held it</p> <p>4 with that letter that said: I'm holding a deposit.</p> <p>5 Q. Was it even a check?</p> <p>6 A. Yeah, it was a check. I don't remember</p> <p>7 whose check it was. It might have been Bill Kane's</p> <p>8 check. Maybe it was Bill Kane's check that he was</p> <p>9 given a deposit by the buyer.</p> <p>10 Q. What did you do with the check?</p> <p>11 A. I gave it back to Bill after the closing</p> <p>12 happened.</p> <p>13 Q. Did you ever deposit any checks that you</p> <p>14 received into escrow like that?</p> <p>15 A. Maybe like one or two. When he got his</p> <p>16 money back and he was, like, this is a pain, so let's</p> <p>17 just eliminate that step. So I held the check in my</p> <p>18 hand and then I gave it back to him.</p> <p>19 Q. Who knew that you were doing this?</p> <p>20 A. Mr. Yacker because he's the one who told</p> <p>21 me how to draft the letter so that it would appear</p> <p>22 legal.</p> <p>23 Q. Why did it matter?</p> <p>24 A. Because in the beginning I think Mr.</p> <p>25 Yacker truly wanted to do the right thing. This is</p>
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<p>1 sign any documents. He tried to, you know, do the</p> <p>2 right thing by insisting upon seeing a person come to</p> <p>3 his office. He took that control.</p> <p>4 Q. Anyone else that you can think of?</p> <p>5 A. Not off the top of my head.</p> <p>6 Q. What about anyone at Coastal Title?</p> <p>7 A. I don't know if they were aware or not.</p> <p>8 Q. What about Walsh Securities?</p> <p>9 A. I don't know if they were aware or not.</p> <p>10 Q. So you have no firsthand knowledge about</p> <p>11 whether anyone at Coastal Title knew?</p> <p>12 A. No.</p> <p>13 Q. And no firsthand knowledge about whether</p> <p>14 anyone at Walsh Securities knew?</p> <p>15 A. No.</p> <p>16 Q. Did you ever prepare any letters on</p> <p>17 behalf of Mr. Yacker representing that you were</p> <p>18 holding a check in escrow?</p> <p>19 A. Yes.</p> <p>20 Q. Can you tell me about that?</p> <p>21 A. I was told to write up this letter</p> <p>22 saying that we had a check in escrow for</p> <p>23 representing -- representing a deposit towards</p> <p>24 property.</p> <p>25 Q. And what was, in fact, the truth?</p>	<p>1 what we need in order to do the next step and write</p> <p>2 this letter and we will hold his check, and we will</p> <p>3 put it in the file, and then when the closing happens</p> <p>4 we will give him back his check. Well, it started to</p> <p>5 snowball and mushroom so fast that Bill couldn't get</p> <p>6 me the checks fast enough, and after a while that</p> <p>7 step just went by the wayside.</p> <p>8 Q. I'm going to show you a document that</p> <p>9 I'm not going to mark as an exhibit. It's Bates</p> <p>10 stamped WS 103297. A letter on Mr. Yacker's</p> <p>11 letterhead to National Home Funding regarding a</p> <p>12 property at 155 Chelsea Avenue. This letter states</p> <p>13 that Mr. Yacker is holding in escrow a check in the</p> <p>14 amount of 22,000 pertaining to the above matter. I</p> <p>15 think this is a typo. It says: "Please be advised</p> <p>16 that five percent is borrower's own funds and five</p> <p>17 percent is a gift from relatives." Probably meant to</p> <p>18 say 50 percent.</p> <p>19 Does that look like a check or a letter</p> <p>20 that you would have drafted?</p> <p>21 A. At his instruction, yes.</p> <p>22 Q. Are your initials on that letter?</p> <p>23 A. No. Yes, I'm LK but this is a stamp</p> <p>24 signature.</p> <p>25 Q. And why would you have written a letter</p>

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<p>1 indicating that part of the money is the borrower's  2 own funds and part of the money is a gift from  3 relatives?  4 A. I have no idea.  5 Q. Did you just do it because you were told  6 to?  7 A. Yes.  8 Q. You don't have any knowledge that the  9 funds would have been --  10 A. Been deposited?  11 Q. Or any knowledge that the funds were a  12 gift.  13 A. I have no idea where that money came  14 from.  15 Q. I'm going to show you a document that  16 purports to be a gift letter Bates stamped WS  17 1032977. Would you have seen a document like this  18 before drafting a letter to National Home Funding  19 stating that funds were in escrow?  20 A. No, I have never seen this letter  21 before.  22 Q. Did anyone ever pay you anything in  23 addition to what you've already testified to?  24 A. No.  25 Q. When you attended -- when you held a</p>	<p>1 A. No.  2 Q. What happened at Mr. Cicalese's office  3 with the loan closings?  4 A. I have no idea if he ever asked for  5 identification either.  6 Q. Did you attend loan closings with him?  7 A. No.  8 Q. So you don't know if he did ask for  9 identification?  10 A. Well, I was in the office. I just was  11 not in attendance in the conference room. I was  12 there if he needed copies of anything, you know,  13 runner, but I wasn't sitting in on the closing.  14 Q. If he had required identification would  15 you have made a copy of it?  16 A. Yes.  17 Q. That would have been placed in the file?  18 A. Yes.  19 Q. How were the closings scheduled?  20 A. According to what Walsh would fund that  21 month and what was ready according to Rick Pepsny.  22 Q. And so who would contact you about  23 scheduling a closing?  24 A. Bill Kane.  25 Q. So Bill Kane coordinated all of the</p>
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<p>1 closing who was normally there?  2 A. In the beginning?  3 Q. In the beginning.  4 A. In the beginning it would have been Mr.  5 Yacker, the buyer and Bill Kane. Then after a while  6 it was myself, the buyer and Bill Kane. And then it  7 evolved to just me giving the documents to Bill Kane  8 and the documents coming back signed.  9 Q. Now, when you said -- in the instances  10 where the buyer was present, do you know for certain  11 that the buyer was who they represented themselves to  12 be?  13 A. No, I am not certain of that at all.  14 Q. Why is that?  15 A. I never asked for any identification  16 because the identification process would have been  17 handled through National Home Funding because they  18 would have needed copies of driver's license and  19 whatever else, documentation they needed for  20 identification.  21 Q. And Mr. Yacker never told you that he  22 needed to confirm identification?  23 A. No.  24 Q. Did Mr. Yacker ever confirm  25 identification?</p>	<p>1 closings?  2 A. Yes.  3 Q. And I think you testified, correct me if  4 I'm wrong, that there typically was a double closing  5 where the property was being sold -- well, strike  6 that.  7 Were there double closings where Kane or  8 one of his companies was purchasing a property and  9 then it was being sold to one of the straw buyers?  10 A. Yes.  11 Q. Did that happen often?  12 A. On paper it happened often. Rick Pepsny  13 would handle the buy for Bill Kane from the real  14 legitimate person who was selling the property.  15 Sometimes he would do that in the morning and then  16 our paperwork would arrive in the afternoon and he  17 would have his deed ready to go. So sometimes it did  18 happen that way, but more often times than not, I  19 don't know when Rick closed on properties, if it was  20 before I got my documentation or after.  21 Q. Okay. Are you aware of anyone else  22 preparing escrow letters using Mr. Yacker's  23 stationery?  24 A. No, I don't think so.  25 Q. Have you ever heard -- were you aware</p>

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<p>1 that Kelly O'Neill claims to have prepared an escrow 2 letter on Mr. Yacker's stationery? 3 A. I have no knowledge of that. 4 Q. Is there any way that anyone else would 5 have gotten Mr. Yacker's letterhead? 6 A. It's very easy to do. All you need is 7 one copy of a letterhead such as this. I sent off 8 memos and faxes to Bill and Rick and a lot of people, 9 so all you had to do was cut it off, type your own 10 letter, make a photocopy and there you've got a 11 letter. 12 Q. But this is speculation. Correct? 13 A. Speculation. No firsthand knowledge of 14 anyone using Mr. Yacker's letterhead to form any 15 letters. 16 Q. Once Cicalese came into the picture, how 17 was it determined whether Yacker or Cicalese would be 18 the closing attorney? 19 A. Bill Kane determined that. 20 Q. Do you have any idea how he picked 21 between them? 22 A. I have no idea. 23 Q. In either event you would have been the 24 one doing the closing? 25 A. I would have been processing the</p>	<p>1 A. Yes. 2 Q. By who? 3 A. By Bill Kane. 4 Q. And was Mr. Yacker aware of this? 5 A. I don't know. 6 Q. What about Mr. Cicalese? 7 A. I don't know. 8 Q. Would Walsh Securities have known? 9 A. I don't know. 10 Q. Do you know if anyone other than you and 11 Mr. Kane knew? 12 A. I believe Gary Grieser knew. Mr. Yacker 13 might have known about the joint venture deed because 14 he had to have helped draft it, but the promissory 15 note, I don't know if he knew about that, and the 16 second mortgage, I don't know whose idea that was. 17 Q. Who provided money to -- strike that. I 18 think you testified that you were not involved in 19 sending the giant stack of deeds to the county 20 collection office. Right? 21 A. No. I can speculate where it went 22 though after looking at the documents, who did it. 23 Q. Why is it you can speculate after 24 looking at the documents? 25 A. You remember how we said that on the</p>
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<p>1 paperwork. 2 Q. That's right, because for Yacker you 3 would have performed the closing and for Mr. Cicalese 4 you would have just processed the paperwork? 5 A. Yes. 6 Q. Do you know what it means to be an 7 approved closing agent or closing attorney? 8 A. No idea what that means. 9 Q. So you don't know how someone becomes 10 authorized to perform a loan closing? 11 A. No. 12 Q. Were you aware that notes and mortgages 13 were not regularly being recorded for Walsh 14 Securities? 15 MR. KOTT: Object to the form. 16 A. The promissory notes are we referring 17 to? 18 Q. Yes. 19 A. I have already said I know that they 20 were not recorded, and the secondary mortgages were 21 not recorded, and the mortgages between the straw 22 buyer and Capital Assets were not recorded. 23 Q. Do you know why? 24 A. No. 25 Q. Were you told not to record them?</p>	<p>1 left-hand corner of a deed I would put R -- "return 2 and record to Stanley Yacker"? If you will look at 3 exhibit King-10, I prepared this document, "record 4 and return Stanley Yacker" with the address. For 5 exhibits 9, 8, 7 says, Coastal Title Agency in the 6 corner where it says -- should have been "return and 7 record to Stanley Yacker." 8 Q. And these are the ones that are dated 9 April -- that were filed on April 8, 1997? 10 A. 1997. Correct. I believe that when 11 Rick prepared a deed from Cristo Properties, or 12 whatever Bill Kane name he was using, into the straw 13 buyer he had the R and R go back to Stanley, because 14 if you can look in the very top corner of King-8, you 15 will see an S, part of a three and MA, Matawan, which 16 leads me to believe that that stack was recorded by 17 Coastal. 18 Q. Because it looks like some sort of 19 sticker was placed over Mr. Yacker's return address? 20 A. Yes. He had a gold sticker. See here? 21 MR. KOTT: What exhibit number and what 22 page? 23 THE WITNESS: We're talking exhibit 24 King-18, the SYSW 04544, which is a copy of the deed 25 prepared by Richard Pepsny from Cristo Properties to</p>

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<p>1 Alphonse and Elaine Salvatoriello. Up in the 2 left-hand corner you will see, "R and R, Stanley 3 Yacker, Esquire." 4 Q. Thank you. So when the closing occurred 5 Mr. Kane directed you how to disburse the funds? 6 A. That's correct. 7 Q. Did it ever follow any type of pattern 8 as to how you were supposed to disburse the funds? 9 And what I'm asking, I mean from your recollection 10 back then. 11 A. Everyone got paid according to the HUD 12 statement. Like National Home Funding got their 13 money, Murphy Realty, the realtor got their 14 commission check. Whatever was left over after all 15 the disbursements were made that needed to be made, 16 let's put it that way, on the second page, National 17 Home Funding, Rick, Yacker, me, Coastal Title, 18 whatever was left over got split between Bill Kane 19 and Gary Grieser as Capital Assets. 20 Q. And would some of that money be used to 21 pay off the first purchase in the chain? 22 A. That's where Rick Pepsny got his money 23 from, that wire transfer, that humongous wire 24 transfer for over \$400,000, that's what he used to 25 pay off the properties that just closed or were going</p>	<p>1 me writing a check to Bill Kane and having him wait 2 to deposit the money in his account and then have to 3 write out a check and have them wait for that 4 deposit. It's coming from a trust -- an attorney 5 trust account. 6 Q. And Mr. Yacker knew you were doing this? 7 A. Yes, Mr. Yacker was aware I was doing 8 this. 9 Q. At least because he had to sign all of 10 these checks. Correct? 11 A. That's correct. 12 Q. Now, how did Mr. Yacker benefit from 13 these transactions? 14 A. Well, he was getting his fee for each 15 closing which was 600, \$700. Now that may not seem 16 like a lot one at a time, but when you're talking 17 ten, 15 closings in a month, it's a nice chunk of 18 change. And there was the promise of more to come 19 from Bill Kane until he brought in Anthony. 20 Q. So he benefited from the volume? 21 A. Financially. 22 Q. He benefited financially from the 23 volume? 24 A. Yes. 25 Q. Did Mr. Yacker also benefit because he</p>
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<p>1 to close and that was on page 12 of exhibit King-15, 2 SYSW 006912. 3 Q. Is this something you knew at the time? 4 A. Knew what? 5 Q. That this was happening, or is it 6 something you've learned over the course of 14 years? 7 A. That I knew what? That -- 8 Q. The way the funds were being disbursed. 9 A. That Gary Grieser got money, Bill Kane 10 got money, Rick Pepsny got money? 11 Q. Yes. 12 A. Afterwards? The seller gets the money, 13 all of the money, and let them deal with whoever they 14 have to pay after I'm done writing out my check to 15 them. 16 Q. That's how it should be? 17 A. That's how it should be, but Bill Kane, 18 instead of me giving him one check and having him 19 disburse the money to whoever he needed to do, again, 20 he made a shortcut and said, Okay, the money is here, 21 this is how I want you to send the money to: I want 22 you to write a check to Gary Grieser for this amount 23 for this property, and Rick Pepsny needs this much to 24 pay off the original buy. And it was just a Bill 25 Kane way of, again, shortening the process instead of</p>	<p>1 wasn't having to perform these closings, he had you 2 do them? 3 A. Of course. 4 Q. Because he could be working on something 5 else? 6 A. Of course. 7 Q. Do you have any firsthand knowledge as 8 to how Richard Pepsny benefited from these 9 transactions? 10 A. I have no firsthand knowledge other than 11 the checks that I wrote to him that are in the 12 accounting. 13 Q. Have you ever heard of Robert Agel, 14 A-g-e-l? 15 A. It doesn't sound familiar, but I did not 16 know a lot of the last names of people. 17 Q. Did you have any dealings with Coastal 18 Title Agency? 19 A. Only in connection with: When am I 20 going to get my title, you know, reports? I believe 21 I added them to the list of people I faxed my list 22 to. 23 Q. When you say your list, the list of 24 missing documents? 25 A. No, the list of properties that were</p>

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<p>1 going to come up for closing.  2 Q. Do you know what Coastal Title's role  3 was in the fraud?  4 A. I just knew they prepared the title  5 insurance documents that were needed to go along with  6 everything.  7 Q. Okay. Have you ever heard of  8 Commonwealth Land Title Insurance Company?  9 A. No.  10 Q. Have you ever heard of Nations Title  11 Insurance of New York?  12 A. No.  13 Q. Have you ever heard of Fidelity National  14 Title Insurance Company of New York?  15 A. No.  16 Q. Did anyone at Walsh Securities ever pay  17 you any money?  18 A. No.  19 Q. Did you ever pay anyone at Walsh  20 Securities any money?  21 A. No.  22 Q. Did you ever do any closings for  23 construction loans? Do you know what that is?  24 A. No, so I guess not.  25 Q. Were all of the loans that you did</p>	<p>1 at least on some occasions using Walsh Securities'  2 funds to pay off the properties that he was  3 purchasing?  4 A. I'm sorry. That got a little confusing.  5 Q. I understand. Let me rephrase that. Do  6 you have any knowledge of anyone at Walsh Securities  7 knowing that Kane was using funds that were being  8 disbursed by Walsh Securities to pay for his original  9 purchase from legitimate sellers?  10 A. I understand. No, I do not know of  11 anyone at Walsh Securities that might have known that  12 Bill used their funds to pay off the first buy.  13 Q. Have you ever given a statement to  14 federal or state authorities in connection with the  15 acts alleged in these frauds?  16 A. Yes.  17 Q. How many statements did you give?  18 A. I spent quite a bit of time with the FBI  19 and the assistant attorney general's office and, of  20 course, court.  21 Q. And you were represented by counsel at  22 that time. Right?  23 A. Yes.  24 Q. And was your attorney from the federal  25 public defender's office?</p>
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<p>1 closings for, did they all involve purchase money  2 mortgages?  3 A. Whatever that means. You have to  4 explain, I'm sorry, I don't know what that term  5 means.  6 Q. All the closings that you performed for  7 the Kane properties, they all involved first  8 mortgages, to your knowledge?  9 A. To my knowledge, yes.  10 Q. And then there were also these second  11 mortgages that were never recorded?  12 A. Yes.  13 Q. Have you ever heard of DAP Consulting,  14 D-A-P?  15 A. No.  16 Q. So you don't have any knowledge whether  17 anyone at Walsh Securities knew about the false  18 escrow letters. Correct?  19 A. No.  20 Q. And you have no knowledge of anyone at  21 Walsh Securities knowing about the joint venture  22 closings?  23 A. No.  24 Q. And you have no knowledge of anyone at  25 Walsh Securities knowing about the fact that Kane was</p>	<p>1 A. Yes.  2 Q. Was it Tonianne BonGiovanni?  3 A. Yes.  4 Q. Can you recall the time frame in which  5 you met with the FBI and the U.S. attorney's office?  6 A. I think it was about a week after they  7 raided his office. They called me up and said: We  8 need to speak to you. I said: Yeah, I figured you  9 did.  10 Q. And when did you stop cooperating with  11 the government?  12 A. I never stopped cooperating with the  13 government.  14 Q. Are you still meeting with the  15 government?  16 A. No. My association with them I guess  17 ended the day I was sentenced.  18 Q. I have it. I can find it.  19 A. I don't remember the day I was  20 sentenced. It was in 2002, 2003.  21 Q. And you pled guilty. Correct?  22 A. Yes.  23 Q. Were you ever charged for any criminal  24 acts by the state or counties?  25 A. I believe there was one thing out in a</p>

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<p>1 town because, again, Gary Grieser, he -- I was also  2 an antiques collector and he had a piece of property  3 on Broadway in Long Branch, and he said, The guy  4 hasn't paid me, go clean it out.  5 So I came with my van and I started  6 cleaning out, and I started taking stuff out of the  7 building, and the man showed up and said, What are  8 you doing with my stuff? And I said, Well, Gary told  9 me to come clean it out. And he said, It's still my  10 stuff. Okay. Well, come to find out Gary Grieser  11 never got an eviction notice to remove any property  12 from his building so I gave the man back his stuff  13 and he dropped the charges.  14 Q. Other than that, have you been charged  15 with any other crimes?  16 A. I can't remember. I doubt it. Speeding  17 tickets, maybe. Safety belt tickets.  18 Q. That's not a crime.  19 A. Oh, well.  20 Q. Did you commit any other criminal acts  21 that were dismissed as a result of your plea  22 agreement?  23 A. I think I was only charged -- well,  24 there was a whole list of charges, but the agreement  25 was one count of conspiracy to commit wire fraud.</p>	<p>1 A. Yes.  2 Q. And were you placed on probation for  3 three years?  4 A. Yes.  5 Q. And six months of that was essentially  6 house arrest?  7 A. Yes.  8 Q. Did you have 100 community hours,  9 community service hours?  10 A. Yes.  11 Q. And you did not have to pay any  12 restitution. Correct?  13 A. No restitution but there was a \$1,000  14 fine.  15 Q. Has your probation ended?  16 A. Yes.  17 Q. Do you know when it ended?  18 A. 2006.  19 Q. What are you doing now?  20 A. Currently I am unemployed but my  21 profession was an embroiderer.  22 Q. What about massage therapy?  23 A. I do that once in a while. Not too much  24 anymore because when I left -- we left to go to  25 Delaware in 2004, and because I thought it was going</p>
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<p>1 Q. Okay. So because you pled, the  2 government didn't pursue additional charges?  3 A. No.  4 MR. KOTT: Yes?  5 A. Yes.  6 Q. Is that correct?  7 A. I don't remember --  8 Q. Because you pled, the government didn't  9 pursue any additional charges against you?  10 MR. KOTT: Is that correct?  11 Q. Is that correct?  12 A. Yes.  13 Q. And you cooperated with the government.  14 Correct?  15 A. Yes.  16 Q. And for that cooperation you received a  17 5K letter. Correct?  18 A. Yes.  19 Q. Did you testify at any trials?  20 A. No.  21 Q. Do you recall if it's correct that in  22 your sentence the court departed 13 levels?  23 A. Yes.  24 Q. Which is apparently because of  25 significant cooperation?</p>	<p>1 to be financially better for us. However, it was not  2 because the job that I had been promised did not  3 arrive and I was unemployed for two months while I  4 was first down there. And then it was not  5 financially feasible for me to stay there so we moved  6 back. And when I moved down there I closed up my  7 massage office up here and those clients went  8 elsewhere so...  9 Q. What address are you at now?  10 A. My mailing address is the 171 1st  11 Street. I am currently house sitting our church  12 parsonage because it was empty for a year and it was  13 showing signs of break-ins. So we're in our church  14 parsonage for a year.  15 Q. What is the address?  16 A. 41 Osborne Street, Keyport.  17 Q. The ZIP code?  18 A. 07735.  19 Q. And what is your phone number?  20 A. My cell phone number is (732)497-7007.  21 Q. Is that the best way to reach you?  22 A. Yes.  23 Q. Do you own your own home?  24 A. No.  25 Q. Are you married?</p>

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<p style="text-align: right;">Page 142</p> <p>1 A. No.</p> <p>2 Q. Are you renting that other address?</p> <p>3 A. I give a donation.</p> <p>4 Q. For the --</p> <p>5 A. For the parsonage.</p> <p>6 Q. What about the 1st Street?</p> <p>7 A. I lived with my mom.</p> <p>8 Q. Is that still the best place to reach</p> <p>9 you by mail?</p> <p>10 A. Yes, because I don't know how long I'm</p> <p>11 going to be at this other place. If they get a</p> <p>12 minister in that needs the building we have two weeks</p> <p>13 to get out.</p> <p>14 Q. And over the course of time have you</p> <p>15 learned anything in addition to what you've already</p> <p>16 testified to today?</p> <p>17 A. Regarding this whole case?</p> <p>18 Q. Yes.</p> <p>19 A. No, I kind of severed all ties with</p> <p>20 anyone associated with this situation.</p> <p>21 MS. WAGNER: Can we just take a break?</p> <p>22 (A recess takes place.)</p> <p>23 MS. WAGNER: Due to the time we're going</p> <p>24 to adjourn today's deposition and reconvene on May</p> <p>25 14, 2010 at 9 a.m. Miss King has agreed to reappear</p>	<p style="text-align: right;">Page 144</p> <p>1 CERTIFICATE.</p> <p>2</p> <p>3 I, JANET BAILYN, a Notary Public and</p> <p>4 Certified Court Reporter of the State of New Jersey,</p> <p>5 do hereby certify that prior to the commencement of</p> <p>6 the examination LORRAINE KING was duly sworn by me to</p> <p>7 testify the truth, the whole truth and nothing but</p> <p>8 the truth.</p> <p>9 I DO FURTHER CERTIFY that the foregoing</p> <p>10 is a true and accurate transcript of the testimony as</p> <p>11 taken stenographically by and before me at the time,</p> <p>12 place and on the date hereinbefore set forth.</p> <p>13 I DO FURTHER CERTIFY that I am neither a</p> <p>14 relative nor employee nor attorney nor counsel of any</p> <p>15 of the parties to this action, and that I am neither</p> <p>16 a relative nor employee of such attorney or counsel,</p> <p>17 and that I am not financially interested in the</p> <p>18 action.</p> <p>19</p> <p>20</p> <p>21 Notary Public of the State of New Jersey</p> <p>My commission expires February 3, 2013</p> <p>License No. XI00970</p> <p>22</p> <p>Date: May 3, 2010</p> <p>23</p> <p>24</p> <p>25</p>
<p style="text-align: right;">Page 143</p> <p>1 on that date.</p> <p>2 MR. KOTT: For the original deposition</p> <p>3 exhibits today, Ms. Wagner will be the custodian of</p> <p>4 those but can we ask that you send photocopies.</p> <p>5 MS. WAGNER: Yes, that's fine.</p> <p>6 (The deposition is adjourned at 5:11</p> <p>7 p.m.)</p> <p>8</p> <p>9</p> <p>10</p> <p>11 _____</p> <p>LORRAINE KING</p> <p>12 Subscribed and sworn to before me</p> <p>13 this ____ day of _____, 2010.</p> <p>14</p> <p>15 _____</p> <p>16 Notary Public</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	

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